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SAN FRANCISCO BOARD OF SUPERVISORS

AUDIT AND GOVERNMENT EFFICIENCY COMMITTEE

The Minutes of this Committee essentially consist of entering onto the Agenda of the meeting the actions taken by the Committee. When Minutes are not available, we have included the Agenda instead.

The Budget Analyst prepared Memoranda for many of this Committee's meetings. These Memoranda, when available, are bound in front of the Minutes of the meetings to which they pertain.

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CITY AND COUNTY OF SAN FRANCISCO

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

January 29, 1998

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst Recommendations for meeting of

SUBJECT: February 2, 1999 Audit and Government Committee Meeting

Item 1 - File 99-0075

Department: San Francisco Public Library (Public Library)

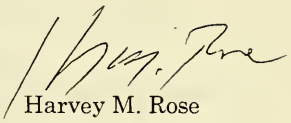
Item: Resolution authorizing the Public Library to accept and expend an unrestricted cash gift of $34,610.96 from the Estate of Anne M. Burr to be used at the Richmond Branch of the Public Library.

Gift Amount: $34,610.96 in cash

Description: Mr. George Nichols, Finance Director of the Public Library, states that the proposed resolution would authorize the Public Library to accept an unrestricted gift of $34,610.96 in cash from the Estate of Anne M. Burr to be used at the Richmond Branch Library. According to Mr. Nichols, the Public Library will likely use this unrestricted gift for repair and maintenance at the Richmond Branch Library.

Comment: The late Anne M. Burr was a library patron who died in December of 1997. Ms. Burr directed in her Will, dated September 19, 1996, that one eleventh (1/11) of her entire estate of $380,720.53, or $34,610.96, be distributed to the Public Library, Richmond Branch.

Recommendation: Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
President Ammiano
Supervisor Becerril
Supervisor Bierman
Supervisor Brown
Supervisor Leno
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Gail Feldman
Matthew Hymel
Stephen Kawa
Ted Lakey

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City and County of San Francisco
Meeting Minutes - DRAFT
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Rosemary Little-Horanzy

City Hall
1 Dr. Carlton B
Goodlett Place
San Francisco, CA
94102-4689

Tuesday, February 02, 1999 **1:00 PM** **City Hall, Room 263**

Regular Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

Meeting Convened

The meeting convened at 1:02 p.m.

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REGULAR AGENDA

990075 **[Gift Acceptance - Public Library]**

Resolution authorizing the San Francisco Public Library to accept and expend a gift of $34,610.96 from the estate of Anne M. Burr to be used at the Richmond Branch Library. (Public Library)

1/13/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Supervisor Katz, member, Board of Supervisors.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

LITIGATION

This Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

990017 **[Roger Contreras v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Roger Contreras against the City and County of San Francisco by payment of $28,000. (City Attorney)

(S.F. Superior Court No. 992-262.)

1/6/99, RECEIVED AND ASSIGNED to Rules Committee.

1/25/99, TRANSFERRED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

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990018 **[Yee v. CCSF]**

Ordinance authorizing the City to dismiss with prejudice City's cross-complaint against sub-contractors Tight Access Excavation ("Tight Access"), D.W. Young Construction (D.W. Young"), Marineship Service and D.W. Young Construction/Marinship Construction, joint venture (collectively "Marinship"), Frank and Grossman and Lombardi Construction ("Lombardi") from the consolidated actions entitled Yee v. City and County of San Francisco, and consolidated actions. (City Attorney)

(S.F. Superior Court No. 980-740.)
1/6/99, RECEIVED AND ASSIGNED to Rules Committee.
1/25/99, TRANSFERRED to Audit and Government Efficiency Committee.
Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney.
RECOMMENDED.. by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

990073 **[Yerba Buena Pizza Corporation v. CCSF]**

Ordinance authorizing settlement of the litigation of Yerba Buena Pizza Corporation v. City and County of San Francisco by paying the petitioner the amount of $150,000. (City Attorney)

(S.F. Superior Court No. 996-016.)
1/13/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.
Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney.
RECOMMENDED.. by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

990074 **[Michelina Pesenti, et al., v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Michelina Pesenti against the City and County of San Francisco by payment of $45,000. (City Attorney)

(S.F. Superior Court No. 992-703.)
1/13/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.
Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney.
RECOMMENDED.. by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

990111 **[Katrina Garrett, et al. v. CCSF, et. al.]**

Ordinance authorizing settlement of litigation of Katrina Garrett against the City and County of San Francisco by payment of $83,500.00. (City Attorney)

(S.F. Superior Court No. 992-148.)
1/20/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.
Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney.
RECOMMENDED.. by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

990112 **[Frank Massimillo/Rosa Tarangioli v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Frank Massimillo and Rosa Tarangioli against the City and County of San Francisco by payment of $232,500. (City Attorney)

(S.F. Superior Court No. 993-345.)

1/20/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ted Lakey. Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990113 **[Frederick Howard/Chantia Howard, et al. v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Frederick Howard and Chantia Howard against the City and County of San Francisco by payment of $75,000.00. (City Attorney)

(S.F. Superior Court No. 985-9375.)

1/20/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee

Heard in Committee. Speakers: Ted Lakey. Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990114 **[Janice and Wayne Racek, v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Janice and Wayne Racek against the City and County of San Francisco by payment of $3,159,526.00. (City Attorney)

(S.F. Superior Court No. 996-715.)

1/20/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee

Heard in Committee. Speakers: Ted Lakey. Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990117 **[TRM Corporation v. CCSF]**

Ordinance authorizing the City to release, contractors and architects on remodeling and seismic safety improvements project at California Palace of the Legion of Honor, as consideration for settlement of the action known as TRM Corporation v. City and County of San Francisco. (City Attorney)

(S.F. Superior Court No. 978-229.)

1/20/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ted Lakey. Deputy City Attorney; Debbie Frieden, Project Manager, Fine Arts Museum; Lyndon Chee, Deputy City Attorney

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

This Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the above items at this time and may move not to disclose any information at this time.

The Audit Committee of the Board of Supervisors found it in the best interests of the City not to disclose any information revealed in its closed session deliberations in the above items at this time and moved not to disclose any information at this time.

ADJOURNMENT

The meeting adjourned at 1:37 p.m.

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

February 26, 1999

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: March 2 , 1999 Audit and Government Efficiency Committee Meeting

Item 1 – File 99-0268

Department: Department of Public Health (DPH)

Item: Resolution authorizing (1) the Department of Public Health to accept, sell and expend a gift of shares in the value currently estimated to be $49,200 bequeathed to Laguna Honda Hospital from the Barbara Wylie Trust, to be expended for "the general benefit and comfort of residents," and (b) the Department of Public Health to accept and expend a cash gift of $78,871 bequeathed to Laguna Honda Hospital from the Estate of Ermeth Dirovizza for "the specific use of patients' activities on holidays."

Amount:

Barbara Wylie Trust	$ 49,200
Estate of Ermeth Dirovizza	78,871
Total	$128,071

Description: Gift from the Barbara Wylie Trust

In July of 1998, the Barbara Wylie Trust bequeathed a gift consisting of three stock certificates to Laguna Honda Hospital to be used for the "general benefit and comfort of residents." The proposed resolution would allow Department of Public Health (DPH) to accept and sell the

stock, and expend the proceeds from the sale of the stock from the Barbara Wylie Trust.

1) 120 shares of common stock in IBM with a fair market value of $22,455 as of December 30, 1998.

2) 190 shares of common stock in General Electric with a fair market value of $ 19,617 as of December 30, 1998.

3) 110 shares of common stock in Duke Power with a fair market value of $7,060 as of December 30, 1998.

As of December 30, 1998, the total combined fair market value of the subject shares of common stock was $49,132. The funds generated from the sale of subject stock will change depending on the fair market value of the securities on the date when such common stock is sold.

According to Ms. Anne Okubo of DPH, the proceeds from the sale of subject common stock will be deposited into the Laguna Honda Hospital Gift Fund, which is to be used for expenditures that enhance the "general benefit and comfort of residents" of Laguna Honda Hospital.

Gift from the Estate of Ermeth Dirovizza

In July of 1996, the estate of Ermeth Dirovizza bequeathed a cash gift of $78,871 to Laguna Honda Hospital for "the specific use of patients' activities on holidays."

The proposed resolution would authorize DPH, the Laguna Honda Hospital to accept and expend the gift in the amount of $78,871. According to Ms. Okubo, the gift in the amount of $78,871 will be deposited into the Laguna Honda Hospital Gift Fund, which is to be used for "the specific use of patients' activities on holidays." Ms. Okubo states that the Laguna Honda Hospital has allocated $450 for Black History Month activities and that the remaining balance of $78,421 will be spent on future holiday activities yet to be specified. According to Ms. Okubo, no expenditures have been incurred against the gift.

Recommendation: Approve the proposed resolution.

Item 5 – File 99-0166

1. This is a proposed motion directing the Budget Analyst to prepare a report on the efficiency and adequacy of the services the City and County of San Francisco provide to the Homeless.

2. The proposed motion would direct the Budget Analyst to perform the following tasks:

i. Outline, evaluate and report whether or not the various City Departments and non-profits providing services are to the Homeless Community are, in fact, addressing the present needs of the Homeless Community.

ii. Outline, evaluate and report on opportunities to eliminate overlapping services and waste.

iii. Determine if all related emergency homeless contracts should be centralized in one department.

iv. Report and recommend what can be done to improve services to the homeless.

3. The proposed motion further directs the Budget Analyst to give priority to reviewing the efficiency and adequacy of services to the homeless upon completion of the audit of the San Francisco Zoo. Assigning this priority to the proposed review of Homeless services would mean that other pending performance audits would be deferred. Currently, the Board of Supervisors approved Budget Analyst performance audit program directs the following studies and performance audits:

- Department of Parking and Traffic (a draft report has been completed and is now under review with the Department;
- San Francisco Zoo (performance audit is underway);
- Study of Privatization of City Golf Courses (Assigned as a priority project. Work will begin on completion of DPT Performance Audit);
- Assessor/Recorder;
- San Francisco Redevelopment Agency.

4. The Budget Analyst estimates that the proposed review of homeless services would require approximately 660 staff hours. The estimated cost for such a review, at our current hourly rate of $83.85, would therefore be $55,341. Since the proposed project would be conducted under our existing contract with the Board of Supervisors, there would be no additional costs to the City.

Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
President Ammiano
Supervisor Becerril
Supervisor Bierman
Supervisor Brown
Supervisor Leno
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Gail Feldman
Matthew Hymel
Stephen Kawa
Ted Lakey

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City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Rosemary Little-Horanzy

City Hall
1 Dr. Carlton B
Goodlett Place
San Francisco, CA
94102-4689

Tuesday, March 02, 1999 **1:00 PM** **City Hall, Room 263**

Regular Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

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Meeting Convened

Meeting convened at 1:14 p.m.

REGULAR AGENDA

990268 **[Acceptance of Gifts, DPH-Laguna Honda Hospital]**

Resolution authorizing the Department of Public Health, Laguna Honda Hospital, to accept, sell and expend a gift of shares of stock in the value currently estimated at $49,200 bequeathed to Laguna Honda Hospital from the Barbara Wylie Trust, to be expended for "the General benefit and comfort" of residents. Also authorizing the Department of Public Health, Laguna Honda Hospital, to accept and expend a gift of $78,871 bequeathed to Laguna Honda Hospital from the estate of Ermeth Dirovizza for "the specific use of patients' activities on holidays". (Department of Public Health)

2/17/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Anne Okubo, Department of Public Health.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990248 **[Settlement of Claims, Ownership of 529 and 525 Hickory St.]**

Ordinance approving the settlement of unlitigated claim of Joshua K. Clayton and David Stoddard Lambertson for the ownership of the property fronting 529 and 525 Hickory Street, accepting quitclaim deeds from the claimants, and granting easements to the claimants. (Real Estate Department)

(Companion measure to File 990247.)

2/10/99, RECEIVED AND ASSIGNED to Transportation and Land Use Committee.

2/24/99, TRANSFERRED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Anthony DeLucchi, Real Estate Department.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990269 **[Auditing Services Ending June 30, 1999-2001]** **Supervisor Kaufman**

Hearing to consider auditing services for the fiscal years ending June 30, 1999 - 2001.

2/17/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ed Harrington, Controller; Supervisor Kaufman; Supervisor Katz; Carlene Adams, Auditor; Denise Price, Auditor; Supervisor Newsoms; Ken Jensen, San Francisco General Hospital Medical Center; Evelyn Bruce, Financial Reporting Manager, Municipal Railway; Mollie Marshall, Auditor; Steven Carmichael, Public Utilities Commission.

FILED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990270 **[Independent Auditors June 30, 1998 Audit]** **Supervisor Kaufman**

Hearing to consider the independent auditors' management letters and comments relating to the June 30, 1998 audit of the City.

2/17/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ed Harrington, Controller; Supervisor Kaufman; Supervisor Katz; Carlene Adams, Auditor; Denise Price, Auditor; Supervisor Newsom; Ken Jensen, San Francisco General Hospital Medical Center; Evelyn Bruce, Financial Reporting Manager, Municipal Railway; Mollie Marshal, Auditor; Steven Carmichael, Public Utilities Commission.
Continued to April 6, 1999.
CONTINUED by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

990166 **[Homeless Services]** **Supervisors Brown, Katz, Becerril**

Motion directing the Budget Analyst to prepare a report on the efficiency and adequacy of the services the City and County of San Francisco provides to the homeless.

2/1/99, REFERRED FOR ADOPTION WITHOUT COMMITTEE REFERENCE AGENDA AT THE NEXT BOARD MEETING.

2/8/99, SEVERED FROM FOR ADOPTION WITHOUT COMMITTEE REFERENCE AGENDA. Supervisor Brown requested this matter be severed for the purpose of referring it to committee.

2/8/99, REFERRED to Audit and Government Efficiency Committee. Supervisors Katz, Becerril requested to be added as co-sponsors.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Supervisor Kaufman; Supervisor Katz.
CONTINUED TO CALL OF THE CHAIR by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

990134 **[Simca Harris v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Simca Harris against the City and County of San Francisco by payment of $33,383.87. (City Attorney)

(U.S. District Court No. C97-4614 PJH)

1/25/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.
RECOMMENDED.. by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

990208 **[Unlitigated Claim, Nodie L. Lightfoot]**

Resolution approving the settlement of the unlitigated claim of Nodie L. Lightfoot by payment of $55,000. (City Attorney)

(Claim Number 99-00865.)

2/5/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.
RECOMMENDED.. by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

990209 **[Gertrude Stern v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Gertrude Stern against the City and County of San Francisco by payment of $80,000. (City Attorney)

(S.F. Superior Court No. 988-192.)

2/5/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990331 **[American - Arab Discrimination Committee, et al. v. CCSF, et al.]** **Supervisor Kaufman**

Ordinance authorizing settlement of litigation of American-Arab Anti-Discrimination Committee, et al., against the City and County of San Francisco by payment of $47,500.

(Case No. 93-6358-RAP.)

2/22/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

ADJOURNMENT

Meeting adjourned at 3:06 p.m.

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City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Rosemary Little-Horanzy

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Tuesday, April 06, 1999 | **1:00 PM** | **City Hall, Room 263**

Regular Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

Meeting Convened

The meeting convened at 1:33 P.M.

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REGULAR AGENDA

990270 **[Independent Auditors June 30, 1998 Audit]**

Supervisor Kaufman

Hearing to consider the independent auditors' management letters and comments relating to the June 30, 1998 audit of the City.

2/17/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

3/2/99, CONTINUED. Heard in Committee. Speakers: Ed Harrington, Controller; Supervisor Kaufman; Supervisor Katz; Carlene Adams, Auditor; Denise Price, Auditor; Supervisor Newsom; Ken Jensen, San Francisco General Hospital Medical Center; Evelyn Bruce, Financial Reporting Manager, Municipal Railway; Mollie Marshal, Auditor; Steven Carmichael, Public Utilities Commission. Continued to April 6, 1999.

Heard in Committee. Speakers: Ed Harrington, Controller; Anne Summercamp, Director, Department of Health Services.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990407 **[Administrative Code Revision]**

Supervisors Kaufman, Newsom

Ordinance amending Administrative Code Section 1.6 (corporate seal), Section 1.6-1 (official key), Section 1.29 (voting requirements for commissions) and Section 1.50 (city officers); by repealing Section 1.2-1 (gender neutral legislation). Section 1.4 (Flags at half-mast on Good Friday); Sections 1.6-A and 1.6-B (corporate seal), Section 1.6-2 (use of official key), Section 1.8 (propagation of game birds on City property), Section 1.17 (use of City property for decoration), Section 1.18 (maintenance of Junipero Serra birthplace), Section 1.21 (termination of project or program authorized by Board), Section 1.23 (response to Board inquiries, Section 1.28 (contracts of one million dollars or more), Section 1.32 (credibility of petitions), Section 1.37 (licensing Muni transit software), and Section 1.55 (spur tracks); by adding a new Section 1.24, authorizing the Risk Manager to approve hold harmless agreements, and by repealing Sections 1.24, 1.24.1, 1.25, 1.25-1, 1.25-2, 1.25-3, 1.25-4, 1.25-5, 1.25-6, 1.25-7,1.25-8, 1.26, 1.26-1, 1.31, 1.35, 1.36, 1.38,1.39, 1.40, 1.41, 1.42, 1.43, 1.44, 1.45, 1.46, 1.47 and 1.48 (authorizing various hold harmless agreements).

(Amends Sections 1.6, 1.6-1, 1.29, 1.50; Repeals Sections 1.2-1, 1.4, 1.6-A, 1.6-B, 1.6-2, 1.8, 1.17, 1.18, 1.21, 1.23, 1.28, 1.32, 1.37, 1.55; Adds Section 1.24; Repeals Sections 1.24, 1.24.1, 1.25, 1.25-1, 1.25-2, 1.25-3, 1.25-4, 1.25-5, 1.25-6, 1.25-7,1.25-8, 1.26, 1.26-1, 1.31, 1.35, 1.36, 1.38,1.39, 1.40, 1.41, 1.42, 1.43, 1.44, 1.45, 1.46, 1.47 and 1.48.)

3/1/99, ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 3/31/1999.

3/8/99, TRANSFERRED to Audit and Government Efficiency Committee.

Heard in Committee: Speakers: Tom Owen, Deputy City Attorney; David Pilpel.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990214 **[Estate of Zygmunt Arendt]**

Supervisor Yee

Resolution authorizing the Department of Human Services to submit its proposed plan for the administration of the Arendt estate, through the Public Administrator, to the Probate Court for approval.

2/8/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Will Lightborne, Director, Department of Human Services; Michele Olson, representing Supervisor Leland Yee.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

LITIGATION

This Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

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990396 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the litigation of Yellow Cab Cooperative, Inc. v. Board of Appeals, et al., and Luxor Cabs, Inc. v. San Francisco Police Commission et al., by execution of the settlement agreement on file herein. (City Attorney)

(Yellow Cab Corporation v. Board of Appeals, Superior Court No. 995-839; Luxor Cabs, Inc. v. S.F. Police Commission, Superior Court No. 995-896.)

2/25/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Open Session. Speakers: Ted Lakey, Deputy City Attorney; Tom Owen; Deputy City Attorney; Nathan Dairi, Yellow Cab; Stephen Reiimer, Cab Driver (Yellow Cab); Bill Lazar, Luxor Cab; Maggie Muir; Terra Houseman, Cab Driver; David Barlow, United Taxi Workers; August Longo; Dan Heiss, General Manager, DeSoto Cab; Earl Robert Franklin; Ron Wolter; United Taxicab Workers; Jim Namura; Don Rodriquez; Bruce Oka; Stephen Reimes; Laurie Graham. Amendment of the Whole bearing same title presented in Committee by Supervisor Newsom.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Noes: 1 - Newsom

990437 **[Arnold Jones, et al., v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Arnold Jones against the City and County of San Francisco by payment of $614,400. (City Attorney)

(U.S. District Court No. C91-3453 WHO.)

3/8/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990489 **[Natali Sheyner, et al., v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Natali Sheyner against the City and County of San Francisco by payment of $37,000. (City Attorney)

(S.F. Superior Court No. 990-053.)

3/10/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990481 **[Denise Flaherty v. CCSF]**

Ordinance authorizing settlement of litigation of Denise Flaherty against the City and County of San Francisco by payment of $60,000. (City Attorney)

(S.F. Superior Court No. 994-582.)

3/10/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990482 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of Victoria Lee, a minor, by and through her Guardian Ad Litem Gan Suey Lee against the City and County of San Francisco by payment of $850,000. (City Attorney)

(S.F. Superior Court No. 993-057.)

3/10/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990489 **[Settlement Agreement, Tanya Meyers]**

Resolution authorizing settlement of claims with Tanya Meyers relating to Ms. Meyers' employment with the Public Transportation Department in the amount of Eighty Five Thousand Dollars ($85,000). (Public Transportation Commission)

3/12/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney; Robert Brian, Deputy City Attorney, Ed Harrington, Controller.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990567 **[Brennan v. CCSF]**

Ordinance authorizing settlement of litigation of Kinsey Sheryl Brennan against the City and County of San Francisco by payment of $240,000. (City Attorney)

(S.F. Superior Court No. 992-208.)

3/22/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990572 **[ADA Task Force, et al. v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of ADA Task Force against the City and County of San Francisco requiring City to hire consultants to complete City's Americans with Disabilities Act Transition Plan and Self-evaluation. (City Attorney)

(U.S. District Court No. C-97-02438 CRB.)

3/24/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

This Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the above items at this time and may move not to disclose any information at this time.

3 **ADJOURNMENT**

The meeting adjourned at 4:23 P.M.

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

April 30, 1999

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst Recommendations for meeting of

SUBJECT: May 4, 1999 Audit and Government Efficiency Committee Meeting

Item 1 - File 99-0542

Department: San Francisco Department of Public Health

Item: Resolution accepting a gift from New Life Clinics of clinical hypnotherapy treatment services for smoking cessation, weight control, and stress management for City employees, their adult relatives and friends.

Gift Amount: $300,000. This amount is an estimate based on New Life Clinics' anticipated participation rate of 5,000 clients at the clinic's estimated market rate of $60.00 per session each.

Description: The proposed resolution would authorize the Department of Public Health to accept a gift of clinical hypnotherapy treatment services to be provided by New Life Clinics at no charge to City employees and their adult relatives and friends. New Life Clinics, a publicly supported non-profit foundation, would provide these services which are specifically designed for smoking cessation, weight control, and stress management. According to the prospectus submitted to the City Attorney's Office by New Life Clinics, the therapy the clinic administers was developed at Texas, Stanford and Harvard Universities and refined by New Life Clinics. The prospectus also states that these treatment services are

based on the principle of modifying behavior at the subconscious level, using hypnosis, neurolinguistic programming, and other safe, proven therapy techniques.

City employees and their adult relatives and friends would receive such treatment on a voluntary basis and during participating City employees' off-work hours. These treatment sessions would be offered at three different locations throughout the Bay Area over the course of one week. According to Dr. Bob Dean, Executive Director of New Life Clinics, these sites would be located outside San Francisco City and County limits to accommodate those City employees who live in the surrounding environs.

Dr. Dean reports that New Life Clinics has successfully treated over 512,000 persons through its free hypnotherapy clinics nationwide, including over 11,000 persons through their clinics offered specifically to public agency employees and their friends and families. In 1997, the San Francisco Police Department received a series of the subject treatment sessions. Over a two-week period, approximately 80 uniformed and civilian Police Department personnel and their family members received free hypnotherapy services for smoking cessation, weight control, and stress management. According to Sgt. Forrest Fulton, Ph.D., of the Police Department's Behavioral Science Unit, all but one of the participants responded favorably to the experience.

In addition, under the auspices of the Department of Health's Employee Assistance Program, a pilot program with the City was conducted by New Life Clinics in early January 1999. Employees (and some family members of employees) from the Department of Public Health and the City Attorney's Office were invited to participate in a single hypnotherapy session that focused on smoking cessation, weight control, and stress management. Approximately 65 individuals participated in the two and one-half hour session held during non-work hours. Of the total participants, 75% recommended that the session be made available for all employees and their families. No employee participant reported any negative reaction to the hypnotherapy or indicated any reason to not offer the session to others.

Comments:

1. The resolution states that New Life Clinics will have professional liability insurance consistent with the City Risk Manager's requirements and that they will use only Board Certified Hypnotherapists to provide the treatment services. According to Mr. Keith Grand, Department of Administrative Services, New Life Clinics has met the City's requirements for professional liability insurance.

2. Employees would be notified of these treatment opportunities through a payroll notification procedure. According to Dr. Dean, New Life Clinics will cover the expenses associated with this notification.

3. New Life Clinics is funded by voluntary, tax-exempt donations from the general public. In previous subject treatment sessions and in their prospectus submitted to the City Attorney's Office, New Life Clinics suggested a voluntary donation level of $5.00 per participant. In addition, participants in previous subject treatment sessions have received a gift of one or more clinical hypnotherapy audio cassette tapes in return for donations of specific published amounts. According to Dr. Dean, the standard published donation amounts are $20.00, $35.00 and $45.00 for sets of one, two or four tapes, respectively.

4. According to Dr. Dean, New Life Clinics recovers the majority of its operating costs through donations received from treatment sessions open to the general public. In addition to treatment sessions specifically organized for public agencies, New Life Clinics offers treatment sessions open to the general public throughout the nation. Licensed hypnotherapists volunteer their professional services and time for these open treatment sessions. They are paid for their professional time and services for the treatment sessions specifically organized for public agencies. According to Dr. Dean, New Life Clinics does not recover the costs of subject treatment sessions organized for public agencies from the donations received from those treatment sessions alone.

5. As noted above, this resolution would accept a gift of services valued at $300,000 from New Life Clinics. At the same time that New Life Clinics would be donating such treatment services to be provided to City employees and their adult relatives and friends, New Life Clinics will be

requesting donations from the persons that New Life Clinics treats in order for New Life Clinics to partially recover the costs of such services which they are donating to the City.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 2 - File 990733

Department: Mayor
Police Department

Item: Ordinance authorizing payment of a $10,000 reward to Doe One.

Reward Amount: $10,000

Source of Funds: General Fund - FY 1998-99 Claims and Judgments Account

Description: The Police Department has reported that on July 20, 1996, Mr. Mario Salgado was fatally beaten by an unknown assailant. As part of the investigation into the murder of Mr. Salgado, the Police Department requested that the Mayor exercise his authority under Section 10.177.1 of the City's Administrative Code to offer a $10,000 reward for information leading to the apprehension and conviction of the suspect.

The Mayor offered a $10,000 award on September 10, 1996. Subsequently, an individual, referred to legally as "Doe One," provided information to the Police Department leading to the apprehension and conviction of the suspect.

The suspect entered a guilty plea and was convicted and sentenced on January 27, 1999.

According to the Police Department, the assistance of Doe One was critical in leading to the apprehension and conviction of the suspect. As such, the Mayor is requesting that the Board of Supervisors approve the proposed ordinance which would authorize the payment of the $10,000 reward to Doe One.

Comment: Additional details on the subject case are contained in confidential documents which have been placed on file with the Board of Supervisors.

Recommendation: Approve the proposed ordinance.

Item 3 – File 99-0005

Item: Hearing to consider claims of employees for reimbursement of personal property damaged and/or stolen in the line of duty.

Description: Section 10.25-8 of the City's Administrative Code authorizes the Controller, subject to approval of the Board of Supervisors, to provide reimbursement to non-uniformed City employees to enable the employee to recover all or part of their costs of replacing or repairing equipment or property that has been damaged or stolen in the line of duty without the fault of the City employee if such loss exceeds $1,000, when (1) a verified claim is filed, (2) the department head certifies to the Controller that the damage or theft occurred in the line of duty and the amount certified for payment is fair and reasonable, the damage or theft occurred without fault of the employee and was occasioned by unusual circumstances, (3) the Controller concurs with the department head's certification, and (4) funds are available for such purpose.

In response to one claim filed by one employee of the Recreation and Park Department, the Recreation and Park Department General Manager certified that the damage to the employee's vehicle occurred in the line of duty, was not the fault of the employee and recommended a reimbursement payment of $1,127 as being fair and reasonable.

Mr. John Madden of the Controller's Office reports that the Controller's Office recommends a reimbursement of $500 for this one claim submitted by the Recreation and Park Department, since the employee that filed this claim has a $500 deductible on his automobile insurance. Mr. Madden notes that funds are available for the proposed reimbursement from the operating budget of the Recreation and Park Department.

Comment: The Budget Analyst notes that on December 30, 1997, the Board of Supervisors approved an ordinance (Ordinance No. 478-97) permitting the

Controller to pay employee claims that are less than $1,000, without requiring Board of Supervisors approval, if the claim is certified by the Department head as being fair and reasonable and occurring in the line of duty and if sufficient funds are available.

Recommendation: Prepare in and report out a resolution authorizing payment of the subject claim, as recommended by the Controller.

Item 4 – File 99-0748

Department: Controller

Item: Resolution approving the selection of independent auditors for the Controller's Office and the separately audited departments of the City. The resolution would also authorize a three year contract with the consortium of accounting firms for such audits.

Description: Under Charter Section 2.115, the Board of Supervisors shall select a firm or firms of independent accountants to audit and report upon the annual financial statements of the City and County. The proposed resolution would approve the selection of KPMG LLP and associated firms [1] for the annual audit of the General City, Comprehensive Annual Financial Report (CAFR), and Single Audit.

Under Charter Section 3.105, which assigns the Controller with the responsibilities of County Auditor, the proposed resolution would also concur with the Controller's selection of audit firms for specific required audits.

The Controller reports that a Request for Proposals (RFP) for the annual financial audits was issued to 41 firms on March 18, 1999. The Controller received written proposals from nine consortiums representing 16 firms. Three panels comprised of City staff and the Chair of the Audit and Government Efficiency Committee evaluated the proposals and conducted oral interviews. Human Rights Commission staff approved the RFP, the list of audit firms which received the RFP, the firms invited for the oral presentation, and the rating system for MBE/WBE/LBE participation. Human Rights Commission staff also attended the oral presentation.

The table on the following page displays the audits that will be conducted, the recommended audit firms and the Fiscal Year 1999-2000 cost of each audit.

[1] KMPG LLP leads a consortium of firms that includes Associated Asian CPA Firms, Williams, Adley & Company, LLP, Lamorena & Chang, CPA, Yano & Associates and Mah & Louie, CPA.

Audit	FY 1999-2000 Cost	Audit Firms
General City, CAFR, Single Audit	$511,600	KPMG LLP and associated audit firms [1]
Employee's Retirement System	61,100	
Health Services System	43,900	
Airport commission	108,000	
Redevelopment Agency	65,500	
Workers' Compensation Actuarial Valuation	45,000	
San Francisco General Hospital and Laguna Honda Hospital	109,210	Karling & Associates, LLP
Port Commission	78,500	Hood & Strong LLP and Rodriguez, Perez, Delgado & Company
Local Transportation Fund, Transportation Development Act, Office of Criminal Justice Planning Grants, Department of Insurance Grants, and Department of Justice Grants	39,500	Macias, Gini & Company, LLP, and Moore Stephens Lee Quan LLP
Total	$ 1,062,310	

The Attachment to this report, provided by the Controller, shows the Summary of Audit Fees for the proposed audit firms to perform the specified audits over the three Fiscal Years beginning with FY 1999-00. The cost of such audits will be incorporated in the City's annual budget for each of the respective Fiscal Years. The total costs for such audits by for each of the next three Fiscal Years are:

Fiscal Year 1999-2000	$ 1,062,310
Fiscal Year 2000-01	1,103,331
Fiscal Year 2001-02	1,156,403
Total	$ 3,322,044

Recommendation: Approve the proposed resolution.

City and County of San Francisco
Summary of Audit Fees - Based on Recommendations

	Closing- 6/30/99 FY 1999-00	Closing- 6/30/00 FY 2000-01	Closing- 6/30/01 FY 2001-02
KPMG, Associated Asian CPA, Lamorena & Chang CPA, Mah & Louie, Williams Adley & Co., and Yano & Assoc.			
Group 1			
CAFR	$ 52,000	$ 54,600	$ 57,300
Single Audit	202,000	212,100	222,700
General City	257,500	260,000	273,000
Total Group 1	$ 511,500	$ 526,700	$ 553,000
Group 2			
Employees' Retirement System	$ 61,100	$ 64,200	$ 67,400
Group 3			
Redevelopment Agency	$ 65,500	$ 68,800	$ 72,200
Group 4			
Health Service System	$ 43,900	$ 46,100	$ 48,400
Karling & Assoc.			
Group 5			
S.F. General Hospital	$ 79,390	$ 82,040	$ 84,802
Laguna Honda Hospital	29,820	30,816	31,852
Total Group 5	$ 109,210	$ 112,956	$ 116,654
KPMG, Associated Asian CPA, Lamorena & Chang CPA, Mah & Louie, Williams Adley & Co., and Yano & Assoc.			
Group 6			
Airport	$ 108,000	$ 113,400	$ 119,000
Hood & Strong and Rodriguez, Perez, Delgado & Co.			
Group 7			
Port			
Financial Audit	$ 67,000	$ 70,500	$ 74,000
Single Audit	11,500	12,000	12,600
Total Group 7	$ 78,500	$ 82,500	$ 86,600
Macias, Gini & Co., Moore Stephens Lee Quan, and Quiroz & Co.			
Group 8			
Local Transportation Fund	$ 5,200	$ 5,460	$ 5,733
Transportation Development Act	5,200	5,460	5,733
OCJP, DOJ, & DOI	29,100	30,555	32,083
Total Group 8	$ 39,500	$ 41,475	$ 43,549
Group 9 (1)			
San Francisco Finance Corporation	$ -	$ -	$ -
KPMG, Associated Asian CPA, Lamorena & Chang CPA, Mah & Louie, Williams Adley & Co., and Yano & Assoc.			
Group 10			
Citywide Workers' Compensation Actuarial Valuation	$ 45,000	$ 47,300	$ 49,600
GRAND TOTAL	$ 1,062,310	$ 1,103,331	$ 1,156,403

NOTE:
(1) The auditors for group 9 will be confirmed by the SFFC board.

Item 5 – File 99-0802

1. This is a hearing to consider the performance audit of the Department of Parking and Traffic.

2. The Budget Analyst issued the performance audit report on the Department of Parking and Traffic on April 22, 1999. In total, this report presents 8 findings which contain 49 recommendations. If fully implemented by the Department, these recommendations would result in an estimated $8.8 million to $12.9 million annually in reduced costs and increased revenues for the City.

3. The performance audit report is organized into the following seven sections:

Section 1 – Enforcement
- 1.1 – Parking Control Officer Productivity
- 1.2 – Parking Control Officer Deployment

Section 2 – Workers Compensation

Section 3 – Fleet Management

Section 4 – Parking Meter Program

Section 5 – Implementation of the PRWT Contract for Parking Citations Processing

Section 6 – Adult School Crossing Guard Program

Section 7 –City-Owned Parking Garages

4. The Budget Analyst has been informed by the Office of the Chair of the Audit and Government Efficiency Committee that this hearing will be continued at the request of the Department of Parking and Traffic.

Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
President Ammiano
Supervisor Becerril
Supervisor Bierman
Supervisor Brown
Supervisor Leno
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey

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City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Rosemary Little-Horanzy

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Tuesday, May 04, 1999 | **1:00 PM** | **City Hall, Room 263**

Regular Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

Meeting Convened

The meeting convened at 1:17 p.m.

REGULAR AGENDA

990542 **[Gift Acceptance, Department of Public Health]**

Resolution accepting a gift from New Life Clinics of clinical hypnotherapy treatment services for smoking cessation, weight control and stress management for City employees, their adult relatives and friends. (Department of Public Health)

3/19/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Larry Meredith, Director, Community Health; Dr. Bob Dean, New Life Clinic; Supervisor Newsom.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990733 **[Reward Authorization]**

Ordinance authorizing payment of reward to Doe One. (Mayor)

4/15/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ed Harrington, Controller.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

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990005 **[Reimbursement to Employees, First Quarter 1999]**

Hearing to consider claims of employees, various departments, for reimbursement of personal property damaged and/or stolen in the line of duty. (January, February, March)

12/31/98, RECEIVED AND ASSIGNED to Rules Committee. 12/31/98 - From Recreation and Park Dept., Jonathan J. Newsome, vandalized 1991 Toyota Pickup Truck - $1,127.00.

1/25/99, TRANSFERRED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ed Harrington, Controller, Supervisor Katz. Controller is to determine if insurance rates increase for claimant because of claim; if so, legislation will be prepared authorizing payment of total claim of $1,127; if the claimant's insurance covers the claim, payment will be made to cover the $500 deductible.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990748 **[Annual Audit]**

Supervisor Kaufman

Resolution selecting independent auditors for the Controller's Office and the separately audited departments of the City and authorizing a three-year contract with the consortium of accounting firms.

4/19/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ed Harrington, Supervisor Katz.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990802 **[Performance Audit, Department of Parking and Traffic]**

Supervisors Newsom, Ammiano, Kaufman, Katz

Hearing to consider the Performance Audit of the Department of Parking and Traffic.

4/26/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Continued to Special Meeting on May 19, 1999 at 10:00 a.m.

CONTINUED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990583 **[Administrative Code Revision]**

Supervisor Kaufman

Ordinance amending Chapter 2 of Part 1 of the San Francisco Municipal Code (Administrative Code) by amending Section 2.1-1 (Board Powers), Section 2.6-1 (Lease Approvals), and Section 2.6-2 (Interpreting Services) and by repealing Section 2.3 (Chief Assistant Board Clerk), Section 2.5 (State PUC Policy), Section 2.6 (Pollution Control Policy), Section 2.6-4 (Clerk of the Board), Section 2.6-5 (Board Staff), Section 2.6-6 (Contract Approvals), Section 2.9 (Attendance at Board Meetings), Section 2.19 (Director of Property), Section 2.20 (Independent Appraisers), Section 2.21 (Order for Services), Section 2.23-9 (Striking Employees), Section 2.23.11 (Employee Relations Director), Section 2.82 (Publication of Legislation), and Section 2.92 (Efficiency Evaluation Plan); amending Chapter 2A of the San Francisco Administrative Code by amending Section 2A.160 (Academy of Sciences) and by repealing Section 2A.19 (Controller's Reports) and Section 2A.20 (Controller's Audits); amending Chapter 2B of the San Francisco Administrative Code by repealing Section 2B.19 (Biannual Evaluation); and amending Chapter 3 of the San Francisco Administrative Code by amending Section 3.2 (Definitions) and Section 3.22 (Long-Term Financing).

(Amends Administrative Code Sections 2.1-1, 2.6-1, 2.6-2, 3.2 and 3.22; repeals Sections 2.3, 2.5, 2.6, 2.6-4, 2.6-5, 2.6-6, 2.9, 2.19, 2.20, 2.21, 2.23-9, 2.23.11, 2.82, 2.92, 2A.160, 2A.19, 2A.20, 2B.19.)

3/29/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 4/28/1999.

Heard in Committee. Speakers: Supervisors Kaufman, Newsom, Katz; Ed Harrington, Controller, Tom Owens, Deputy City Attorney; Winchell Hayward; Babette Drefke; Alena Duess. Amendment of the Whole dividing Sections 2.5 and 2.92 recommended; see divided File 990904.

DIVIDED.

Ordinance amending Chapter 2 of Part 1 of the San Francisco Municipal Code (Administrative Code) by amending Section 2.1-1 (Board Powers), Section 2.6-1 (Lease Approvals), and Section 2.6-2 (Interpreting Services) and by repealing Section 2.3 (Chief Assistant Board Clerk), Section 2.6 (Pollution Control Policy), Section 2.6-4 (Clerk of the Board), Section 2.6-5 (Board Staff), Section 2.6-6 (Contract Approvals), Section 2.9 (Attendance at Board Meetings), Section 2.19 (Director of Property), Section 2.20 (Independent Appraisers), Section 2.21 (Order for Services), Section 2.23-9 (Striking Employees), Section 2.23.11 (Employee Relations Director), Section 2.82 (Publication of Legislation), and amending Chapter 2A of the San Francisco Administrative Code by amending Section 2A.160 (Academy of Sciences) and by repealing Section 2A.19 (Controller's Reports) and Section 2A.20 (Controller's Audits); amending Chapter 2B of the San Francisco Administrative Code by repealing Section 2B.19 (Biannual Evaluation); and amending Chapter 3 of the San Francisco Administrative Code by amending Section 3.2 (Definitions) and Section 3.22 (Long-Term Financing).

(Amends Administrative Code Sections 2.1-1, 2.6-1, 2.6-2, 3.2 and 3.22; repeals Sections 2.3, 2.6, 2.6-4, 2.6-5, 2.6-6, 2.9, 2.19, 2.20, 2.21, 2.23-9, 2.23.11, 2.82, 2A.160, 2A.19, 2A.20, 2B.19.)

Divided, recommended. Remainder continued to the call of the Chair, see File 990904.

RECOMMENDED AS DIVIDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990904 **[Administrative Code Revision]**

Ordinance amending Chapter 2 of Part 1 of the San Francisco Municipal Code (Administrative Code) by amending Section 2.5 (State PUC Policy), and Section 2.92 (Efficiency Evaluation Plan).

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990584 **[Bonds and Indebtedness]**

Supervisor Kaufman

Ordinance amending Chapter 2 of Part I of the Municipal Code (Administrative Code), by amending Sections 2.30, 2.30-1, 2.31, 2.33, 2.34, and 2.60, and by repealing Sections 2.32, 2.36-1, 2.37, 2.40, 20.50, and 2.61, to update provisions regarding bonded and other long-term indebtedness.

(Amends Sections 2.30, 2.30-1, 2.31, 2.33, 2.34, and 2.60; repeals Sections 2.32, 2.36-1, 2.37, 2.40, 20.50, and 2.61.)

3/29/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 4/28/1999.

Heard in Committee. Amendment of the Whole correcting Section 20.50 to read "Section 2.50" presented by Supervisor Kaufman, recommended.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Chapter 2 of Part I of the Municipal Code (Administrative Code), by amending Sections 2.30, 2.30-1, 2.31, 2.33, 2.34, and 2.60, and by repealing Sections 2.32, 2.36-1, 2.37, 2.40, 2.50, and 2.61, to update provisions regarding bonded and other long-term indebtedness.

(Amends Sections 2.30, 2.30-1, 2.31, 2.33, 2.34, and 2.60; repeals Sections 2.32, 2.36-1, 2.37, 2.40, 2.50, and 2.61.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990585 **[Charter Amendments]**

Supervisor Kaufman

Ordinance amending Chapter 2 of Part I of the Municipal Code (Administrative Code), by amending Section 2.24, and amending Article V of the Municipal Elections Code, by adding Section 500, to transfer the provisions governing the publication and format of proposed Charter amendments.

(Amends Section 2.24; Article V of the Municipal Elections Code, adds Section 500.)

3/29/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 4/28/1999.

Heard in Committee. Amendment of the Whole correcting Section 500 to read "Section 501" presented by Supervisor Kaufman, recommended.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Chapter 2 of Part I of the Municipal Code (Administrative Code), by amending Section 2.24, and amending Article V of the Municipal Elections Code, by adding Section 501, to transfer the provisions governing the publication and format of proposed Charter amendments.

(Amends Section 2.24; Article V of the Municipal Elections Code, adds Section 501.)

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990586 **[Street Closures]**

Supervisor Kaufman

Ordinance amending Part 1 Chapter 2, Article VIII, of the San Francisco Municipal Code (Administrative Code) by repealing Section 2.70 through 2.76 and amending Part II, Chapter XI of the San Francisco Municipal Code (Traffic Code) by adding Article 20, Sections 700 through 715, to transfer the provisions governing the temporary use or occupancy of public streets.

(Repeals Administrative Code Section 2.70 through 2.76; adds Traffic Code Article 20, Sections 700 through 715.)

3/29/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 4/28/1999.

Heard in Committee. Speakers: Supervisor Katz; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

LITIGATION

This Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

990711 **[Settlement of Claim, Jeanne Lynch]**

Resolution approving the settlement of the unlitigated claim of Jeanne Lynch by payment of $75,000. (City Attorney)

(Claim Number 99-01039.)

4/13/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990727 **[Margaret Koran, v. San Francisco Municipal Railway]**

Ordinance authorizing settlement of claim of Margaret Koran against the Municipal Railway by payment of $45,000. (City Attorney)

(Equal Employment Opportunities Commission Charge No. 370-96-0562.)

4/14/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990786 **[Charles Tucker, et al. v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Charles Tucker against the City and County of San Francisco by payment of $63,262. (City Attorney)

(S.F. Superior Court No. 988-868.)

4/21/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990787 **[Leslie Thurston v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Leslie Thurston against the City and County of San Francisco by payment of $1,287,500. (City Attorney)

(S.F. Superior Court No. 991-807.)

4/21/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990799 **[Settlement of Claim, Michael Clarke]**

Resolution approving the settlement of the unlitigated claim of Michael Clarke by payment of $65,000. (City Attorney)

(Claim Number 99-01005.)

4/21/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

990807 **[Diana Puig, et al v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Diana Puig against the City and County of San Francisco by payment of $60,000. (City Attorney)

(S.F. Superior Court - Unlimited Jurisdiction Case No. 987-635.)

4/26/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

ADJOURNMENT

The meeting adjourned at 2:45 p.m.

Public Library,Gov't Info. Ctr.,
Attn: *Susan Hom*

#3
5/19/99
Special

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

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May 14, 1999

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: May 19, 1999 Special Audit and Government Efficiency Committee Meeting

Item 5 – File 99-0802

1. This is a hearing to consider the performance audit of the Department of Parking and Traffic.

2. The Budget Analyst issued the performance audit report on the Department of Parking and Traffic on April 22, 1999. In total, this report presents 8 findings which contain 49 recommendations. If fully implemented by the Department, these recommendations would result in an estimated $8.8 million to $12.9 million annually in reduced costs and increased revenues for the City.

3. The performance audit report is organized into the following sections:

Section 1 – Enforcement
- 1.1 – Parking Control Officer Productivity
- 1.2 – Parking Control Officer Deployment

Section 2 – Workers Compensation

Section 3 – Fleet Management

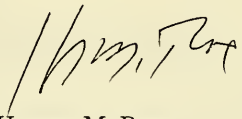
Section 4 – Parking Meter Program

Section 5 – Implementation of the PRWT Contract for Parking Citations Processing

Section 6 – Adult School Crossing Guard Program

Section 7 –City-Owned Parking Garages

4. In total, this report presents 8 findings which contain 49 recommendations. Our recommendations are detailed in each of the finding sections in our report. If fully implemented by the Department, these recommendations would result in an estimated $8.8 million to $12.9 million annually in reduced costs and increased revenues for the City.



Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
President Ammiano
Supervisor Becerril
Supervisor Bierman
Supervisor Brown
Supervisor Leno
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey

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City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Comm

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Rosemary Little-Horanzy

Wednesday, May 19, 1999 | **10:00 AM** | **City Hall, Room 408**

Special Meeting

Members Present: Barbara Kaufman, Leslie Katz.

Members Absent: Gavin Newsom.

Meeting Convened

The meeting convened at 10:10 A.M.

REGULAR AGENDA

990802 **[Performance Audit, Department of Parking and Traffic]**

Supervisors Newsom, Ammiano, Kaufman, Katz

Hearing to consider the Performance Audit of the Department of Parking and Traffic.

4/26/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

5/4/99, CONTINUED. Continued to Special Meeting on May 19, 1999 at 10:00 a.m.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Stuart Sunshine, Director, Parking & Traffic; James Howard, Deputy Director, Enforcement; Frank Martin del Campo, Local 790; Robert Davis, Director, Parking Authority; Supervisors Newsom, Kaufman, Katz.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

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990743 **[Procurement Reform]**

Supervisor Kaufman

Ordinance amending Administrative Code to delete safety belt requirements for City vehicle purchases from Chapter 4; to limit the application of Chapter 6 to contracts for public works and improvements and to delete obsolete provisions; to delete obsolete provisions from Chapter 8; amending Chapter 10 to eliminate the role of the purchaser from the receipt of donations by the Health Commission and to simplify the administration of the Purchaser's revolving fund; adding a new Article XI-C to Chapter 16 governing the purchase of uniforms for City employees; and deleting Chapters 21 and 21B in order to consolidate their provisions in a revised Chapter 21 and to reform and streamline the process for acquisition of goods and services by the City.

(Amends Chapter 10; adds Article XI-C; deletes Chapters 21 and 21B.)

4/19/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 5/19/1999. Scheduled for a special meeting of the Audit and Government Efficiency Committee on May 19, 1999, at 10:00 a.m.

Heard in Committee. Speakers: Edwin Lee, Director, Purchasing; Ken Jensen, Community Health Network; Tom Owen, Deputy City Attorney; Supervisors Kaufman, Katz. Amendment of the Whole bearing new title presented in committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Administrative Code to delete safety belt requirements for City vehicle purchases from Chapter 4; to limit the application of Chapter 6 to contracts for public works and improvements and to delete obsolete provisions; to delete obsolete provisions from Chapter 8; amending Chapter 10 to eliminate the role of the purchaser from the receipt of donations by the Health Commission and to simplify the administration of the Purchaser's revolving fund; adding a new Article XI-D to Chapter 16 governing the purchase of uniforms for City employees; and deleting Chapters 21 and 21B in order to consolidate their provisions in a revised Chapter 21 and to reform and streamline the process for acquisition of goods and services by the City.

(Amends Chapter 10; adds Article XI-D; deletes Chapters 21 and 21B.)

Amended. Page 39, line 5, add after authorized: "subject to the Board of Supervisors' approval by Resolution".

AMENDED.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

ADJOURNMENT

The meeting adjourned at 12:18 P.M.

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City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Commi

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Rosemary Little-Horanzy

Thursday, June 03, 1999 | **2:00 PM** | **Room 263**

Rescheduled Meeting

Members Present: Barbara Kaufman, Gavin Newsom.

Members Absent: Leslie Katz.

Meeting Convened

The meeting convened at 2:02 P.M.

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REGULAR AGENDA

990744 **[Domestic Partner Inquiry Requirement for City Forms]**

Supervisor Leno

Ordinance amending Administrative Code by adding Section 12A.17, requiring all City Departments to inquire regarding domestic partners status on all City forms that request marital information, and requiring all City departments to inform the Human Rights Commission of their plan to implement this ordinance no later than six months from the effective date of this ordinance.

(Adds Section 12A.17.)

4/19/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 5/19/1999.

Heard in Committee. Speaker: Supervisor Mark Leno.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

990996 **[Domestic Partnership Ceremonies]**

Supervisors Leno, Bierman

Ordinance amending Section 62.9 of the Administrative Code to authorize the performance of Domestic Partnership ceremonies by any person authorized by state law to perform marriage ceremonies.

(Amends Section 62.9.)

5/17/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Supervisor Mark Leno.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

990878 **[Administrative Code Revision, Chapter 4]**

Supervisor Kaufman

Ordinance amending Administrative Code by amending Section 4.1-1 (now Section 4.1) Administration of Public Buildings; Sections 4.2-4.8 Vending Machines in Public Buildings; Section 4.9-1 (now Section 4.9) Vending Machines at San Francisco General Hospital; Section 4.13 Automobile Self-insurance; and Section 4.18 Loaning Personal Property to the City: Indemnification; and by repealing Section 4.1 Office Space in City Hall, Hall of Justice; Section 4.16 Requiring Use of Seat Belts and Section 4.17 Loaning Personal Property to the City.

(Amends Sections 4.1-1, 4.2-4.8, 4.9-1, 4.13, 4.18; repeals Sections 4.1, 4.16, 4.17.)

5/3/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 6/2/1999.

Heard in Committee. Speaker: Thomas Owen, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

990879 **[Administrative Code Revision, Chapter 5]**

Supervisor Kaufman

Ordinance amending Administrative Code by amending Sections 5.60, 5.63, and 5.64 (Street Utilities Coordinating Committee), Sections 5.90 and 5.91 (Park and Open Space Advisory Committee), Sections 5.190-2 and 5.190-4 (Family Violence Advisory Council), Section 5.200 (Child Care Planning and Advisory Council), and by repealing Sections 5.20-5.22 (Interdepartmental Committee on Water Pollution), Section 5.51 (Commission on Aging), Sections 5.110-5.115 (National Guard Advisory Council), Sections 5.140-5.144 (Mission Bay HMIRP Citizens Advisory Committee) and Section 5.160-5.165 (Joint Task Force on the HIV Epidemic).

(Amends Sections 5.60, 5.63, 5.64, 5.90, 5.91, 5.190-2, 5.190-4, 5.200; repeals Sections 5.20-5.22, 5.51, 5.110-5.115, 5.140-5.144 and 5.160-5.165.)

5/3/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 6/2/1999.

5/24/99, SUBSTITUTED.

5/24/99, ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Thomas Owen, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

LITIGATION

This Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

990858 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of Jesse Williams, Kimberly Williams, the estate of Aaron Williams, and Lynne Webb Williams against the City and County of San Francisco and its agents and employees, including without limitation Arnaldo Aleman, Marc Andaya, Catherine Bianchi, Kirk Bozin, Dermot Downers, Peter Ionin, Gerald Louie, Gregory Neal, Anthony Ribera, Kenneth Wong, and Stephen Zimmerman, for the total sum of $98,500, inclusive of costs and attorney's fees, with no admission of liability by any of these defendants. (City Attorney)

(Jesse Williams, et al. v. CCSF, et al., U.S. District Court, N.D. Cal. No. C96-0705 SBA; and Lynne Williams, et al., v. CCSF, et al., U.S. District Court, N.D. Cal No. C96-1337 SBA.)

4/28/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Patrick Mahoney, Chief Trial Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

990961 **[CCSF v. Kaiser Foundation Hospitals]**

Ordinance authorizing settlement of the litigation of City and County of San Francisco v. Kaiser Foundation Hospitals for defendant's payment of $350,000 to the City. (City Attorney)

(CCSF v. Kaiser Foundation Hospitals,
San Mateo Superior Court No. 402690.)

5/12/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Thomas Owen, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

990965 **[Victoria Schneider v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Victoria Schneider against the City and County of San Francisco by payment of $494,838. (City Attorney)

(Victoria Schneider v. CCSF, et al., U.S. District Court No. C97-2203 MMC; Victoria Schneider v. CCSF, et al., U.S. District Court No. C99-1806 MMC.)

5/12/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Joan Hoeper, Chief of Complex Litigation, City Attorney's Office.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

990972 **[Billy Kimbley, et al., v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Billy Kimbley aka William Kimbley against the City and County of San Francisco by payment of $150,000. (City Attorney)

(S.F. Superior Court No. 993-315.)

5/14/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Thomas Owen, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

990973 **[Sheryl Brock/Bruce Wilson v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Sheryl Brock and Bruce Wilson against the City and County of San Francisco by payment of $200,000. (City Attorney)

(S.F. Superior Court No. 994-307.)

5/14/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Thomas Owen, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

990974 **[Foon Tong/Jeannie Tong, et al. v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Foon G. Tong and Jeannie Tong against the City and County of San Francisco by payment of $400,000. (City Attorney)

(S.F. Superior Court No. 994-981.)

5/14/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Thomas Owen, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

990978 **[Yee v. CCSF, and Consolidated Actions]**

Ordinance authorizing settlement of the cross-complaint of the City and County of San Francisco against cross-defendant Shank Balfour/Beatty in the consolidated actions entitled Yee v. City and County of San Francisco, and Consolidated Actions, for settlement to the City in the amount of $800,000. (City Attorney)

(S.F. Superior Court No. 980-740.)

5/17/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Thomas Owen, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

990988 **[General Accident Insurance Co. v. CCSF]**

Ordinance authorizing settlement of litigation of General Accident Insurance Company against the City and County of San Francisco by payment of $35,000. (City Attorney)

(S.F. Superior Court No. 996-820.)

5/18/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Thomas Owen, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

990995 **[Mary Devitt, et al., v. CCSF, et al.]**

Mayor

Ordinance authorizing settlement of litigation of Mary Devitt against the City and County of San Francisco by payment of $281,250. (City Attorney)

(San Mateo Superior Court No. 398-201.)

5/18/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee

Heard in Committee. Speaker: Thomas Owen, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

This Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the above items at this time and may move not to disclose any information at this time.

ADJOURNMENT

The meeting adjourned at 3:26 P.M.

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Attn: Susan Hom, Dept. 41

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

July 2, 1999

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: July 6, 1999 Audit and Government Efficiency Committee Meeting

Item 1 – File 99-0005

Note: This item was continued to the Call of the Chair at the May 4, 1999 Audit and Government Efficiency Committee Meeting.

Item: Hearing to consider claims of employees for reimbursement of personal property damaged and/or stolen in the line of duty.

Description: Section 10.25-8 of the City's Administrative Code authorizes the Controller, subject to approval of the Board of Supervisors, to provide reimbursement to non-uniformed City employees to enable the employee to recover all or part of their costs of replacing or repairing equipment or property that has been damaged or stolen in the line of duty without the fault of the City employee if such loss exceeds $1,000, when (1) a verified claim is filed, (2) the department head certifies to the Controller that the damage or theft occurred in the line of duty and the amount certified for payment is fair and reasonable, the damage or theft occurred without fault of the employee and was occasioned by unusual circumstances, (3) the Controller

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concurs with the department head's certification, and (4) funds are available for such purpose.

In response to one claim filed by one employee of the Recreation and Park Department, the Recreation and Park Department General Manager certified that the damage to the employee's vehicle occurred in the line of duty, was not the fault of the employee and recommended a reimbursement payment of $1,127 as being fair and reasonable.

Mr. John Madden of the Controller's Office reports that the Controller's Office recommends full reimbursement for this one claim submitted by the Recreation and Park Department, since the employee that filed this claim did not have full insurance coverage at the time of the claim. Mr. Madden notes that funds are available for the proposed reimbursement from the operating budget of the Recreation and Park Department.

Comment:

The Budget Analyst notes that on December 30, 1997, the Board of Supervisors approved an ordinance (Ordinance No. 478-97) permitting the Controller to pay employee claims that are less than $1,000, without requiring Board of Supervisors approval, if the claim is certified by the Department head as being fair and reasonable and occurring in the line of duty and if sufficient funds are available.

Recommendation:

Prepare in and report out a resolution authorizing payment of the subject claim, as recommended by the Controller.

Item 2 – File 99-1150

1. This is a hearing to consider the status of workers' compensation claims at the Municipal Railway and to discuss what steps Muni is taking to curb abuses of such workers' compensation claims.

2. The Controller's nine month status report, issued May 3, 1999 included a projection that Muni would expend $19,594,000 for workers' compensation claims in Fiscal Year 1998-99. This level of expenditure is $3,546,000 or 22.1 percent more than the original Muni workers' compensation budget of $16,048,000. According to Mr. Fred Howell, Workers' Compensation Claims Manager for the Department of Human Resources, Muni's current projected total workers' compensation claims expenditures for FY 1999-2000 will be approximately $20,000,000, which is $3,952,000 or 24.6 percent more than the Muni's original FY 1998-99 workers' compensation budget. The proposed Fiscal Year 1999-2000 budget for Muni workers' compensation claims is $18,800,000 which $1,200,000 or 6 percent less than current projected Fiscal Year 1998-99 expenditures of $20,000,000.

3. According to Mr. Bob Kuo, Chief Financial Officer for the Department of Public Transportation, the Muni will make a presentation to the Audit and Governmental Efficiency Committee at its July 6, 1999 meeting. The presentation will address the following:

- Recent cost trends for Muni's workers' compensation claims;
- Types of injuries that cause workers' compensation claims;
- Recent changes in State law regarding benefit rates and use of treating physicians for workers' compensation claims;
- Steps implemented by Muni to improve management and costs control of workers' compensation claims.

Comment

The Controller's Nine-Month budget status report estimated a General Fund deficit in workers' compensation amounting to approximately $4,875,000 for all City departments. The Budget Analyst has reviewed the Mayor's Recommended FY 1999-2000 budget for the adequacy of workers' compensation budgeted expenditures. We have found that the Mayor's Recommended budget has increased budgeted expenditures for workers' compensation in General Fund and General Fund supported departments to levels that approximate current year spending levels. However, the Budget Analyst notes that amounts for workers' compensation expenditures in the Mayor's Recommended Budget do not allow for growth in spending over the current 1998-99 Fiscal Year. The percentage increase between FY 1997-98 actual workers' compensation expenditures and the Controller's projected FY 1998-99 expenditures is 14.5 percent.

According to Mr. Matthew Hymel, Mayor's Director of Finance, the Mayor has announced budgetary incentives for controlling workers' compensation costs. Departments who expend less than their FY 1999-2000 budget for Workers Compensation will be allowed to "re-program" such savings for other Departmental spending priorities. In addition, a the Mayor's Workers' Compensation Council (comprised of the Controller, the Director of Human Resources, the General Manager of the Employees Retirement System and Mr. Hymel) will be commissioning a study, using unspent prior year project funds, to improve Workers Compensation claims management efficiency and develop improved management information reports.

However the Budget Analyst notes that if FY 1999-2000 workers' compensation expenditures increase by 14.5 percent, which is the percentage increase projected by the Controller to occur in FY 1998-99 over FY 1997-98, the Mayor's Recommended FY 1999-2000 budget for Workers Compensation expenditures will be underfunded by approximately $7,200,000.

Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
President Ammiano
Supervisor Becerril
Supervisor Bierman
Supervisor Brown
Supervisor Leno
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Matthew Hymel
Stephen Kawa
Ted Lakey

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City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Rosemary Little-Horanzy

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Tuesday, July 06, 1999 **11:00 AM** **City Hall, Legislative Chamber**

Rescheduled Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

Meeting Convened

Meeting convened at 11:20 A.M.

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REGULAR AGENDA

990005 **[Reimbursement to Employees, First Quarter 1999]**

Hearing to consider claims of employees, various departments, for reimbursement of personal property damaged and/or stolen in the line of duty. (January, February, March)

12/31/98, RECEIVED AND ASSIGNED to Rules Committee. 12/31/98 - From Recreation and Park Dept., Jonathan J. Newsome, vandalized 1991 Toyota Pickup Truck - $1,127.00.

1/25/99, TRANSFERRED to Audit and Government Efficiency Committee.

5/4/99, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller, Supervisor Katz. Controller is to determine if insurance rates increase for claimant because of claim; if so, legislation will be prepared authorizing payment of total claim of $1,127; if the claimant's insurance covers the claim, payment will be made to cover the $500 deductible.

Heard in Committee. Speaker: Ed Harrington, Controller.

PREPARED IN COMMITTEE AS A RESOLUTION.

Resolution authorizing reimbursement for cost of personal property of City and County employees damaged/stolen in the line of duty. (January, February, March)

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991150 **[Workers' Compensation, Municipal Railway]**

Supervisors Kaufman, Ammiano, Newsom

Hearing to consider the status of workers' compensation claims at the San Francisco Municipal Railway and to discuss what steps MUNI is taking to curb abuses of workers' compensation.

6/7/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Request this item be scheduled at the July 6, 1999 meeting.

Heard in Committee. Speakers: Michael Burns, General Manager, Municipal Railway; Jeff Gary, Workers Compensation Coordinator, Municipal Railway; Ed Harrington, Controller. Continued to October 5, 1999.

CONTINUED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

LITIGATION

This Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

991026 **[Settlement of Claim, Victoria Mason]**

Resolution approving the settlement of the unlitigated claim of Victoria Mason by payment of $50,000. (City Attorney)

(Claim No. 99-01405.)

5/20/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991162 **[Dian Hunter, et al. v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Dian Hunter against the City and County of San Francisco by payment of $175,000. (City Attorney)

(S.F. Superior Court No. 993-245.)

6/16/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991169 **[Linda Sue Herman v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Linda Sue Herman against the City and County of San Francisco by payment of $182,000. (City Attorney)

(S.F. Superior Court No. 991-939.)

6/16/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney..

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991170 **[Reatha Weaver v. CCSF. et al.]**

Ordinance authorizing settlement of litigation of Reatha Weaver against the City and County of San Francisco by payment of $34,250. (City Attorney)

(S.F. Superior Court No. 995-176.)

6/16/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991201 **[Settlement of Claim, Sharon Petty]**

Resolution approving the settlement of unlitigated claim of Sharon Petty by payment of $50,000. (City Attorney)

(Unlitigated Claim No. 97C79-3.)

6/16/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991202 **[Gospoden Stephanets v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Gospoden Stephanets against the City and County of San Francisco by payment of $65,000. (City Attorney)

(S.F. Superior Court No. 993-194.)

6/16/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. 6/22/99 - Clerical correction, "Godospoden" to read "Gospoden" wherever it appears in the legislation.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991203 **[Gary Michael Gerdes, et al. v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Gary Michael Gerdes against the City and County of San Francisco by payment of $60,000. (City Attorney)

(S.F. Superior Court No. 995-672.)

6/16/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991204 **[Leticia Hayashi, et al. v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Leticia Hayashi against the City and County of San Francisco by payment of $87,500. (City Attorney)

(S.F. Superior Court No. 991-291.)

6/16/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991205 **[Settlement of Claim by City against WEBCOR]**

Ordinance authorizing settlement of claim of the City and County of San Francisco against WEBCOR Builders, for complete repair by WEBCOR of Fire Station No. 1, located at 676 Howard Street, plus the performance of $385,050.89 in extra work by WEBCOR at the Fire Station. (City Attorney)

6/16/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991211 **[Lanric Hyland, et al. v . Roy L. Wonder, et al.]**

Ordinance authorizing settlement of litigation of Lanric Hyland against Roy L. Wonder, et al., by payment of $275,000.00 plus interest at ten percent (10%) after June 1, 1999. (City Attorney)

(U.S. District Court No. C90-0646 WHO.)

6/16/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

991214 **[Emily Anicich v. CCSF]**

Ordinance authorizing settlement of litigation of Emily Anicich against the City and County of San Francisco by payment of $130,000. (City Attorney)

(S.F. Superior Court 993-342.)

6/16/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

This Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the above items at this time and may move not to disclose any information at this time.

ADJOURNMENT

The meeting adjourned at 1:12 P.M.

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City and County o
Meeting M
Audit and Government

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Minutes
Efficiency Committee

Members: Supervisors Barbara Kaufn

Clerk: Rosemary

Tuesday, August 03, 1999 **1:00 PM** **City Hall, Room 263**

Regular Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

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Meeting Convened

The meeting convened at 1:24 P.M.

REGULAR AGENDA

991338 **[Municipal Railway Accident Review Board]**

Supervisors Kaufman, Newsom, Ammiano, Katz

Hearing to consider the function of MUNI's Accident Review Board; to review the membership of this Board and to discuss the Board's decision-making process surrounding driver accidents.

7/6/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Sponsor requests this matter be scheduled for the August 3, 1999 meeting.

Heard in Committee. Speakers: Michael Burns, General Manager, Municipal Railway; Louis Johnson, Chief Operating Officer, Municipal Railway; Ray J. Antonio, President, Transport Workers Union, Local 250-A.

FILED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

LITIGATION

This Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

991156 **[Settlement: University of California to vacate its office/classroom space in building to be demolished for expansion of Moscone Convention Center in exchange the City will pay UC for training classes for City employees.]**

Ordinance authorizing settlement of litigation of City and County of San Francisco against the Regents of the University of California for $880,000 payable to University of California for training City employees. (City Attorney)

(CCSF v. WCB More II Limited Partnership, et al.
S.F. Superior Court No. 997-764.)

6/9/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

This Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the above items at this time and may move not to disclose any information at this time.

ADJOURNMENT

The meeting adjourned at 2:29 P.M.

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Victor Young

Thursday, September 16, 1999 **1:00 PM** **City Hall, Room 263**

Special Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

991364 **[Administrative Code Revision, Chapter 7]**

Supervisor Kaufman

Ordinance amending Administrative Code Sections 7.6, 7.6-1, 7.9, 7.10, 7.11, 7.16, and 7.17 (Commander of Emergency Services, Vice-Commander, Organization, Police Reserve, Fire Reserve, Volunteers and Penalties); and by repealing Section 7.19 (Severability), to update provisions and eliminate obsolete language.

(Amends Sections 7.6, 7.6-1, 7.9, 7.10, 7.11, 7.16, and 7.17; repeals Section 7.19.)

7/12/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 8/11/1999.

Heard in Committee. Speakers: None.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

991365 **[Administrative Code Revision, Chapter 8]**

Supervisor Kaufman

Ordinance amending Administrative Code Section 8.15 (posting departmental rules) and by repealing Sections 8.12-2, 8.12-2.1, 8.12-3, 8.13-1, 8.13-2, 8.18, 8.19 and 8.20 (Bicentennial Corporation, copies of Charter, proceeds from copies, inscription of account books, compliance with inscription requirements and possession of improperly inscribed books), to update provisions and eliminate obsolete language.

(Amends Section 8.15; repeals Sections 8.12-2, 8.12-2.1, 8.12-3, 8.13-1, 8.13-2, 8.18, 8.19 and 8.20.)

7/12/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 8/11/1999.

Heard in Committee. Speakers: None.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Administrative Code Section 8.15 (posting departmental rules) and by repealing Sections 8.12-2, 8.12-2.1, 8.12-3, 8.18, 8.19 and 8.20 (Bicentennial Corporation, copies of Charer, proceeds from copies, inscription of account books, compliance with inscription requirements and possession of improperly inscribed books), to update provisions and eliminate obsolete language.

(Amends Section 8.15; repeals Sections 8.12-2, 8.12-2.1, 8.12-3, 8.13-1, 8.13-2, 8.18, 8.19 and 8.20.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

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991545 **[Administrative Code Revision - Chapter 9A]**

Supervisor Kaufman

Ordinance amending Administrative Code Sections 9A.1 through 9A.15 and 9A.17 through 9A.20 and by repealing Section 9A.16, regarding Farmers' Market.

(Amends Sections 9A.1 through 9A.15, 9A.17 through 9A.20; repeals Section 9A.16.)

8/9/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/8/1999.

Heard in Committee. Speakers: None. Continued to October 5, 1999.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Administrative Code Sections 9A.1 through 9A.15 and 9A.17 through 9A.20 and by repealing Section 9A.16, regarding Farmers' Market, to update language and to establish a new fee schedule.

(Amends Sections 9A.1 through 9A.15, 9A.17 through 9A.20; repeals Section 9A.16.)

CONTINUED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

991546 **[Administrative Code Revision - Chapter 9B]**

Supervisor Kaufman

Ordinance amending Administrative Code Sections 9B.1, 9B.4, 9B.5, 9B.6, 9B.7, and 9B.8, regarding the Flea Market.

(Amends Sections 9B.1, 9B.4, 9B.5, 9B.6, 9B.7, and 9B.8.)

8/9/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/8/1999.

Heard in Committee. Speakers: None. Continued to October 5, 1999.

CONTINUED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991547 **[Administrative Code Revision - Chapter 10D]**

Supervisor Kaufman

Ordinance amending Administrative Code by repealing Sections 10D.1 through 10D.6, regarding authorization expiring in 1986 for reparations to Japanese-American City employees forcibly relocated during World War II.

(Repeals Sections 10D.1 through 10D.6.)

8/9/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/8/1999.

8/16/99, SUBSTITUTED. SUBSTITUTED by Supervisor Kaufman in Board, bearing new title.

8/16/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/8/1999.

Heard in Committee. Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

991548 **[Administrative Code Revision - Chapter 10E]**

Supervisor Kaufman

Ordinance amending Administrative Code Sections 10E.1 through 10E.4, regarding monitoring the Downtown Plan.

(Repeals Sections 10E.1 through 10E.4.)

8/9/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/8/1999.

Heard in Committee. Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

991549 **[Administrative Code Revision - Chapter 12]**

Supervisor Kaufman

Ordinance amending Administrative Code by repealing Sections 12.3, 12.4, 12.5, 12.6, and 12.7 regarding 1985 contract authorization for temporary City oversight of accounting, budgetary, and reporting procedures at the Housing Authority.

(Repeals Sections 12.3, 12.4, 12.5, 12.6, and 12.7.)

8/9/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/8/1999.

8/16/99, SUBSTITUTED. SUBSTITUTED by Supervisor Kaufman in Board, bearing new title.

8/16/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/8/1999.

Heard in Committee. Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

991517 **[Public Administrator/Public Guardian's Office Performance Audit]**

Supervisor Kaufman

Hearing to consider the results of the investigative and performance audit of the Public Administrator/Public Guardian's Office.

8/2/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. The Chair requests this item be calendared for the September meeting.

Heard in Committee. Speakers: Ed Harrington, Controller; Ricardo Hernandez, Mental Health Coordinator; Amilla Suno, Health Department. Continued to December 7, 1999.

CONTINUED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

LITIGATION

This Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

991629 **[Settlement of Lawsuit, Nicole B. Sojat]**

Ordinance authorizing settlement of the litigation of Nicole B. Sojat and the City and County of San Francisco, Department of Parking and Traffic, Ronald Appel, Michael Lum, Chris Nichel, Nancy Amaya, and Does 1-10 by payment of $40,000. (City Attorney)

(S.F. Superior Court No. 988692.)

8/18/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

991541 **[Settlement: Rita Swann, et. al.,v. CCSF, et al.]**

Ordinance authorizing settlement of litigation of Rita Swann, et al. against the City and County of San Francisco by payment of $120,000. (City Attorney)

(S.F. Superior Court No. 976-429.

8/5/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

This Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the above items at this time and may move not to disclose any information at this time.

ADJOURNMENT

City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Victor Young

City Hall
1 Dr. Carlton B
Goodlett Place
San Francisco, CA
94102-4689

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Thursday, September 16, 1999 **1:01 PM** **City Hall, Room 263**

Special Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

991666 **[Independent Auditors: Audit Plans for the City and County of San Francisco, Fiscal Year Ending June 30, 1999]**

Supervisor Kaufman

Hearing to consider the audit plans for the City and County of San Francisco as issued by the City's independent auditors for the fiscal year ending June 30, 1999.

(Pursuant to Charter Section 9.117.)

8/23/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Request that this matter be calendared at a special meeting, September 16, 1999.

Heard in Committee. Speakers: Ed Harrington, Controller; Collen Adams, Controller's Office; Ann Sommercamp; Denise Price, KPMG; Tom Pyper, Karling and Associates; Raul Hernandez, Hood and Strong.

FILED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

991667 **[Independent Auditors: Interim Management Letters, Fiscal Year Ending June 30, 1999]**

Supervisor Kaufman

Hearing to consider the interim management letters for the City and County of San Francisco as issued by the City's independent auditors based on their interim test work performed for the fiscal year ending June 30, 1999.

(Pursuant to Charter Section 9.117.)

8/23/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ed Harrington, Controller; Collen Adams, Controller's Office; Ann Sommercamp; Denise Price, KPMG; Tom Pyper, Karling and Associates; Raul Hernandez, Hood and Strong.

FILED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

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SEP 24 1999

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ADJOURNMENT

Public Library, Gov't Information Ctr.. 5th Flr.
Attn: Susan Hom, Dept. 41

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 1, 1999

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: October 5, 1999 Audit and Government Efficiency Committee

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Items 1 and 2 – Files 99-1630 and 99-1637

Item 1 – File 99-1630

Department:	Library
Item:	Resolution authorizing the Public Library to accept and expend a cash gift of $273,000 from the Friends and Foundation of the San Francisco Public Library to support Project Read, the adult literacy program of the San Francisco Public Library.
Source of Funds:	Friends and Foundation of the San Francisco Public Library
Amount:	$273,000 (three years at $91,000 per year)
Gift Period:	July 1, 1999 through June 30, 2002

Item 2 – File 99-1637

Department:	Library
Item:	Resolution authorizing the San Francisco Public Library to accept and expend $72,000 to be awarded by the California State Library to support Project Read, the adult literacy program of the San Francisco Public Library, and that indirect costs be waived.
Source of Funds:	California State Library
Amount:	$72,000 (one year)
Grant Period:	July 1, 1999 through June 30, 2000
Indirect Costs:	The Library requests that indirect costs be waived.

Description:

Project Read, which is in its 15th year of service, is the adult literacy program of the Public Library. The program uses volunteer tutors to provide free tutoring and ongoing personal and instructional support to adults who lack basic reading and writing skills. In addition to basic tutoring, the program provides other services, such as poetry and public speaking workshops and a computer learning lab. According to Mr. Randall Weaver of the Public Library, in the first seven months of 1999, from January through July, Project Read tutored 215 adults, matched 78 students with tutors, placed 16 tutors in 11 community agencies, and trained 103 tutor volunteers. Project Read also conducted small group instruction sessions focusing on public speaking, writing using computers and email, resume writing and other skills.

File No. 99-1630: The Friends and Foundation of the San Francisco Public Library is a volunteer organization governed by a Board of 30 volunteer members, dedicated to fundraising to support the San Francisco Public Library. The Friends and Foundation have awarded a gift of $273,000 to be available to the Library for a three-year period (or $91,000 per year for three years).

Approval of the proposed resolution would authorize the Library to accept and expend a cash gift in the amount of $273,000 from the Friends and Foundation of the San Francisco Public Library to support Project Read.

File 99-1637: Project Read began in 1984 with a 5-year grant from the California State Library. For the last 10 years the California State Library, through its California Library Literacy Service program, has awarded an Adult Literacy Grant to the Public Library to provide matching funds to the Library's adult literacy programs. The State matches local Library expenditures at an approximate rate of 23 percent. In FY 1999-2000, the Library has budgeted $312,300 for adult literacy programs and the California State Library is to award a matching grant in the amount of $72,000, or 23 percent of the Library's budget.

Approval of the proposed resolution would authorize the Library to accept and expend a grant in the amount of $72,000 from the California State Library to support Project Read.

Budget:

$91,000 of the $273,000 cash gift from the Friends and Foundation is available each year of the three-year period (File 99-1630) and $72,000 from the California State Library (File 99-1637) is available for one year. The combined gift and grant funds would provide the Library with $163,000 ($91,000 plus $72,000) to expend on Project Read for a one-year period (see Comment 2), as follows:

1840 Junior Management Assistant	1.5 FTE	$ 82,309
1424 Clerk Typist	1.0 FTE	46,864
1404 Clerk	0.75 FTE	33,827
Total	3.25 FTE	$163,000

Attachment I, provided by the Library, contains supporting budget details.

Comments:

1. According to Ms. Sybil Boutilier of the Library, the positions, which would be funded by the subject gift and grant funds, would provide clerical and management assistance support to the Project Read program. Ms.

Boutilier states that these positions have previously been on the payroll of the Friends of the Public Library, which was a nonprofit organization founded in 1961 and dedicated to raising funds for Library programs. On July 1, 1999, the Friends formally merged with the Library Foundation, which was founded in 1991 to raise private funds to pay for Library furnishings, fixtures, and project support. However, when the Friends combined with the Foundation into one organization, the new organization, the Friends and Foundation of the San Francisco Public Library, determined that the support positions for Project Read should be employed directly by the Library. The Friends and Foundation have agreed to provide a cash gift to fund these positions for a period of three years, in conjunction with the matching funds provided by the California State Library. Ms. Boutilier states that it is intended that the proposed positions would be coded grant-funded and would terminate when the grant and gift funds terminate.

2. Ms. Boutilier states that the Friends and Foundation will award the $273,000 cash gift to the Library upon Board of Supervisors approval of the proposed resolution (file 99-1630). Ms. Boutilier also reports that the California State Library $72,000 grant for Fiscal Year 1999-2000 will be made available by the California State Library upon Board of Supervisors approval of the proposed resolution (file 99-1637). Therefore, although the gift and grant awards begin on July 1, 1999, the resolution does not provide for retroactivity because the gift and grant awards have not yet been accepted.

3.Attachment II, provided by the Library, is a copy of the Grant Application Form, as provided by the San Francisco Public Library.

4. A copy of the Disability Access Checklist is on file with the Clerk of the Board.

Recommendations:

1. Amend the proposed resolution to urge the Controller to designate the positions created under the proposed grant as "G", or grant-funded positions, which would terminate when the grant expires.

2. Approve the proposed resolutions (Files 99-1630 and 99-1637) as amended.

9/28/99

PROJECT READ
BUDGET SCHEDULE

FRIENDS & FOUNDATION GIFT

	Classification Title	FTE	Gift From Friends & Foundation	Cal. State Library Literacy Grant	Total
1840	Jr. Management Assistant	1.00	$32,871	$26,007	$58,878
1840	Jr. Management Assistant	0.50	$13,081	$10,350	$23,431
1424	Clerk Typist	1.00	$26,163	$20,701	$46,864
1404	Clerk	0.75	$18,885	$14,942	$33,827
	TOTAL	3.25	$91,000	$72,000	$163,000

NOTE: Total gift is $273,000. $91,000 will be spent annually for three years to support these positions.

Grant Application Information Form

A document required to accompany a proposed resolution
Authorizing a Department to Accept & Expend Grant Funds

To: **The Board of Supervisors**
Attn. Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

1. Department: **San Francisco Public Library**

2. Contact Person: **Sybil Boutilier** Telephone: **557-4214**

3. Project Title: **Project Read**

4. Grant Source Agency: **CALIFORNIA STATE LIBRARY**

5. Type of Funds: **STATE GRANT**

6. Proposed (NEW) Grant Project Summary:

Through its Project Read, the San Francisco Public Library provides tutoring to non-reading English speaking adults in our community to enable them to become readers, promoting literacy and thereby empowering people to more fully engage in cultural, social, career, and democratic processes. The grant will support the operations of this highly successful program by funding four (3.25 FTE) staff positions. Funding from this grant will be used in conjunction with gift funds from the Friends & Foundation of the San Francisco Public Library to support these positions.

7. Amount of Grant Funding Applied for:

8. Maximum Funding Amount Available:

9. Required Matching Funds?
[1]The Adult Literacy Grant from the California State Library is provided as a match to funds budgeted and expended by the San Francisco Public Library on adult literacy programs. The State matches local expenditures from public and private sources at an approximate rate of 23 percent.

Prop E ($200,300); Friends & Foundation Gift ($91,000); Misc. Gifts Less than $5,000 each ($21,000)

10. Number of new positions created and funded: **3.25 FTE**

11. If new positions are created, explain the disposition of employees once the grant ends?

Funding is ongoing. However, if at some time the funding is interrupted, the positions will be terminated.

12. Are indirect costs eligible costs for this grant? Yes: ___ No: X

If yes, please identify the amount of $ in indirect costs? _____

13. Amount to be spent on contractual services:
N/A

14. a.) Will contractual services be put out to bid? N/A

b). If so, will contract services help to further the goals of the department's MBE/WBE requirements? _____

N/A

15. Is this likely to be a one-time or ongoing request for contracting out? N/A

16. Term of Grant: Start-Date: 8/1/99 End-Date: 7/31/2000

17. Date Department Notified of Available Funds: 7/14/99

18. Grant Application Due Date: N/A

19. Grant Funding Guidelines and Options (selected from RFP, grant announcement or appropriations legislation):

20. Department Head Approval: Susan H. Haveth Deputy City Librarian
(Name) (Title)

(Signature)

Item 3 - File 99-1645

Departments: Department of Public Works (DPW)
Airport
Port
Public Utilities Commission (PUC)
Public Transportation Department

Item: Ordinance amending Chapter 6 of the San Francisco Administrative Code to delete out-dated references and obsolete provisions; to reorganize, renumber and consolidate existing provisions for a revised Chapter 6; to add provisions defining terms relevant to Public Works contracting; to add provisions clarifying the requirements and procedures for competitive bidding and the award of Public Works and related temporary professional service contracts; to increase the threshold for competitive bidding and award of Public Works contracts to $100,000; to revise the procedures for and increase to $250,000 emergency contracting authority; to add new procedures for job order contracts, as needed contracts, elevator, escalator and fire alarm service contracts and Convention Facility Public Works contracts; to clarify penalties and procedures for violations of Chapter 6 and the submission of false claims.

Description: The proposed ordinance would amend Chapter 6 of the City's Administrative Code, which governs Public Works contracting policies and procedures, including the procurement of professional design, consulting and construction management services. Under the proposed amendments, the City departments that are empowered to contract for public works projects or improvements include the: (1) Department of Public Works, (2) Airport, (3) Port, (4) Public Utilities Commission and (5) Public Transportation Department. All other City departments must procure construction or related professional services through the Department of Public Works. Current provisions in the City's Charter and Administrative Code identify these same responsibilities.

The major changes to the proposed ordinance are as follows:

Contracts Over $100,000 - Under the proposed amendments, all public work projects or improvements in excess of $100,000 must be awarded to the lowest responsive bidder and would be awarded (1) for departments under the Mayor, when the Mayor approves the contract for award and the department issues an order of award and (2) for departments with boards or commissions when the department head recommends a contract award and the board or commission adopts a resolution awarding the contract. Currently, although the procedures are the same, the threshold is in excess of $50,000, rather than the proposed in excess of $100,000, for the requirement of formal competitive bidding and approval by the Mayor or the respective boards or commissions of such contracts.

Contracts Equal to or Less Than $100,000 - Under the proposed amendments, all public works projects or improvements less than or equal to $100,000 could be performed under contract or by City employees. Ms. Sheryl Bregman of the City Attorney's Office reports that for projects under $100,000, it would be an internal department decision as to whether City employees are available to perform the work, or whether the project should be contracted out. If the work is performed under contract, the requesting department would not be required to conduct formal advertising, but must solicit not fewer than three quotes and award the contract to the responsible contractor with the lowest responsive quotation. However, if the Department cannot obtain three quotes, than the award can be based on the quotes received. For contracts of up to $100,000, the contract would be awarded when the department head signs the contract, and would not require any other approvals. Although the procedures would not change under the proposed ordinance, currently, the threshold is up to $50,000 for approval by the Department head only, rather than the proposed up to $100,000.

Construction Contracts – For projects over $100,000, detailed estimates, including separate accounting for all direct, indirect and supervisory costs shall be

reported to the Controller and either the Mayor or the respective board or commission. For projects under $100,000, such estimates would not be required. Currently, the threshold for requiring such detailed estimates to the Controller and Mayor or respective board or commission is for projects over $50,000.

Under the proposed ordinance, the department head can reject any or all bids for any reason. Although the Administrative Code does not currently state this provision, Ms. Bregman responds that this is in accordance with established case law and that all requests for bids currently contain such standard language. As a result, the proposed inclusion of such language is consistent with existing law and department practice.

Currently, all locally funded contracts must be awarded within 60 days of the date the City receives the bids. However, under the proposed ordinance, contracts funded with local monies must be awarded within 90 days of the date the City receives the bids, which is an increase of 30 days. The current provisions for projects funded with Federal, State or other sources of monies, are vague, although the proposed provisions state that the City would have within 120 days to award the contract.

Indemnification – The indemnification provisions have been updated to reflect current law and been strengthened to preclude waiver of such provisions.

Professional Services Contracts – Currently, Chapter 6 does not include any provisions for Professional Services Contracts, such as architects, engineers, designers, construction managers and consultants. Under the proposed ordinance, if the fee for Professional Services Contracts exceeds $10,000, the City department requesting such professional services must undertake a competitive process based on qualifications, which would entail requests for proposals. Ms. Bregman advises that the proposed $10,000 threshold for Professional Services Contracts is consistent with Section 12D of the City's

Administrative Code relating to minority and women owned business enterprises (MBE/WBE).

The proposed ordinance also outlines new minimum procedures for requests for competitive proposals or qualifications, including the review panels, evaluation criteria, negotiation process, contract terms and the execution of professional services contracts. Such provisions include guaranteed maximum costs, insurance, indemnification, assignment and false claims. According to Ms. Bregman, these new codified procedures are based on existing practices for obtaining professional services contracts in the five affected City departments noted above. Ms. Bregman advises that if the professional services contract is less than $10,000, then such procedures would not apply.

Exemptions From and Alternatives to Competitive Bidding – This section of Chapter 6 separates those areas that are exempt from competitive bidding, and include: (1) Emergency Repairs, Work and Contracts, (2) Design-Build, (3) Job Order Contracts, (4) Hazardous Materials Abatement Work, (5) As-Needed Contracts, (6) Contracting for Elevator, Escalator or Fire Alarm Systems Inspection, Maintenance and Repair Work and (7) Convention Facility Public Works. The Design-Build and Hazardous Materials Abatement Work provisions are comparable to existing provisions. The other sections are new and are separately discussed below.

Emergency Repairs, Work and Contracts – Under the proposed amendments, if the estimated cost of the emergency work is up to $250,000, the department can proceed with the work, without any additional approvals. If the estimated cost of the emergency work is more than $250,000, the department must receive written approval from the Mayor or the President of the board or commission responsible for that department, prior to authorizing the commencement of the emergency work, and also obtain subsequent approval of the Board of Supervisors. Currently, City departments must receive written approval from the Mayor or the President of the board or commission for all emergencies and the threshold for requiring the

Board of Supervisors approval is for emergency contracts in excess of $25,000, rather than contracts in excess of $250,000, as is being proposed by this ordinance. In addition, the new provisions will give the department head additional discretion for waiving and accepting indemnification for a contractor in emergency situations.

Job Order Contracts – Job Order Contracts (JOCs) are similar to the way the Federal government procures many contractors by providing for an indefinite quantity contract with a predefined set of bid items that are assigned on a periodic or task order basis for the performance of public work maintenance, repair and minor construction projects. Currently, the City does not have any procedures for JOCs. Under the proposed ordinance, JOCs would be competitively awarded to the lowest responsive bidder according to specific unit prices and technical specifications for each item. The proposed ordinance also specifies that such JOCs cannot exceed a maximum of $3 million, with cumulative modifications not to exceed 150 percent of the original contract amount (or up to $4.5 million) and a term of up to three years.

As-Needed Contracts – Currently, Chapter 6 of the Administrative Code does not contain procedures for as-needed professional services or construction contracts. Therefore, the proposed as-needed provision is new. Under the proposed amendment, such as-needed contracts must be initially procured on a competitive basis through an Advertisement for Bids or Request for Proposals and provide a not-to-exceed price, an expiration term of not more than three years, and cumulative modifications not to exceed 150 percent of the original contract amount. Ms. Bregman reports that although these are new provisions, they simply codify existing practices in the five affected departments.

Contracting for Elevator, Escalator, or Fire Alarm Systems Inspection, Maintenance and Repair Work – These provisions are entirely new. According to Ms. Bregman, these sections are an attempt to address the proprietary nature of much of the repair and

maintenance work for elevators, escalators and fire alarm systems in the City. Under the proposed ordinance, elevator, escalator and fire alarm system inspections, maintenance and repair contracts would not be subject to competitive bid requirements, as is presently the case. Instead, the department head, may, but, is not required to, seek bids for such work, or, after approval from the respective board or commission, negotiate sole source contracts with the specific manufacturers of such products.

Based on inquiry by the Budget Analyst's Office, Ms. Bregman reports that the City Attorney will be submitting technical amendments to the proposed ordinance to include the requirement for the Mayor's approval for those departments without commissions to negotiate sole source contracts. The proposed ordinance states that contract awards would be based on expertise, quality of work and price, with such contracts extending up to three years, including an additional two-year option to continue.

Convention Facilities Public Works – These provisions are entirely new. According to Ms. Bregman, these sections are an attempt to streamline the process and address the ongoing need to undertake renovations of the Moscone and Convention Facilities buildings before and after various conventions. Under the proposed ordinance, the Convention Facilities would be able to award contracts to the responsible bidder with the lowest responsive bid without formal advertising, and therefore undertake a modified procurement process that is similar to the process outlined above for contracts equal to or less than $100,000. Although bids would be requested from not fewer than three bidders, if three bids are not obtained, the award could be based on those bids received. Cumulatively, such awards could not exceed $3 million in any fiscal year. All contract awards and work performed would be reported to the Board of Supervisors on a quarterly basis. Currently, Convention Facility Public Works are subject to the standard competitive bid procurement practices contained in the other sections of Chapter 6 of the Administrative Code.

Comments:

1. Although the above listed provisions are the only major changes to Chapter 6 of the Administrative Code, Ms. Bregman notes that all of Chapter 6 has been rewritten to reorganize existing sections into a more coherent order, remove outdated provisions, expand definitions, update sections and clarify and codify existing practices.

2. Mr. Cliff Jarrard of the Port indicates that the Port is in favor of increasing the emergency contract provisions from $25,000 to $250,000 because over the past three years, the average emergency contract awarded by the Port has been approximately $200,000, and it is more efficient to allow the department to handle such emergency situations, which often occur. In addition, Mr. Jarrard notes that since it is more time consuming and expensive to do formal bid procedures, increasing the threshold for required competitive bidding from $50,000 to $100,000 will streamline the bidding procedures for more contracts for the Port. Mr. Jarrard could not quantify the estimated savings from adopting such efficient procedures, although he does not estimate that it would be significant. In addition, Mr. Jarrard supports the inclusion of a Consumer Price Index (CPI) adjustment in the proposed legislation to enable the competitive bidding threshold to adjust as future contract cost increases are warranted. However, Mr. Jarrard also notes that increasing the length of time by 30 days that departments have to award contracts may result in slight increases in the contractor bid prices, thus offsetting potential efficiency savings.

3. According to Mr. Shahnam Farhangi of the Public Transportation Department, Muni supports the increase from $50,000 to $100,000 for competitive bidding requirements, since the proposed new $100,000 threshold is consistent with the Federal government's threshold for competitive bidding, and most of the capital projects undertaken by Muni are funded with Federal grants. In addition, Mr. Farhangi notes that currently, all contracts over $50,000 have to go to the Public Transportation Commission for approval, and the proposed increase in the threshold to

$100,000 will also increase the threshold to $100,000 for construction, as well as professional services contracts, that require the Commission's approval. All construction and professional services contracts under $100,000 will now just require the General Manager's approval.

However, Mr. Farhangi notes that with respect to the language in the proposed ordinance that limits as-needed contracts to three years, the Federal government allows as-needed contracts for up to a five-year period. Since Muni capital projects are funded primarily with Federal grants, Mr. Farhangi notes that it would be preferable if the local provisions and the Federal regulations were consistent.

4. Ms. Wendy Iwata of the PUC reports that the PUC is generally pleased with the proposed legislation regarding the increases in the competitive bidding levels from $50,000 to $100,000 for construction contracts and the increase in the thresholds for emergency contracts from $25,000 to $250,000 which would require approval by the Board of Supervisors.

However, Ms. Iwata indicates that the PUC is concerned that all professional services contracts in excess of $10,000 will still require a formal competitive request for proposal process, which is consistent with Administrative Code Section 12D. According to Ms. Iwata, this $10,000 threshold should be increased to a minimum of $25,000, and preferably $50,000, since it can cost the department as much or more than a small $10,000 to $15,000 professional services contract just for the department to undertake the competitive request for proposal process. In addition, Ms. Iwata reports that security and remote monitoring (SCADA) systems should be included in the proprietary provisions for exemptions from the competitive bidding provisions that include contracting for elevator, escalator or fire alarm systems inspection, maintenance and repair work.

5. Mr. Harlan Kelly of DPW reports that the proposed provisions will give DPW significantly more flexibility, and therefore the ability to react faster and more

efficiently in contracting for public works projects. Such efficiencies should result in administrative savings for the Department, although Mr. Kelly could not quantify such savings. Mr. Kelly also noted that DPW supports inclusion of a CPI factor to adjust the proposed $100,000 competitive bidding threshold on an annual or periodic basis.

6. Ms. Teresa Lee of the Airport reports that the Airport is supportive of the proposed ordinance since it should allow for more efficient contracting procedures. In addition, Ms. Lee notes that the Airport would be supportive of including a CPI adjustment factor in the proposed ordinance. Mr. Ernie Eavis of the Airport also reports that the Airport would be supportive of further increases in the threshold for formal bidding of professional services contracts from the current $10,000 limit to at least $50,000.

7. As shown in the Attachment provided by Ms. Virginia Harmon of the Human Rights Commission (HRC), based on an initial review, the proposed ordinance would pose several problems for the City's MBE/WBE program, including the (I) loss of opportunity for minority and women business enterprises with the proposed increase in the competitive bidding threshold from $50,000 to $100,000, (II) conflicts with Chapter 12D of the City's Administrative Code, such as authorization for the Director to waive the requirements of Chapter 12D on contracts, prohibiting the division of one larger public works contract into various smaller contracts and permitting emergency contracts less than $250,000 to proceed after department head approval and (III) new contracting processes that may exclude MBEs/WBEs, such as the Design-Build, Job Order Contracts and As-Needed Contract provisions. As indicated in the Attachment, the HRC will conduct a more in-depth analysis of the proposed amendment prior to the October 5, 1999 Audit and Government Efficiency Committee Meeting.

Although the HRC indicates that the proposed amendment may limit the participation of MBEs and WBEs, in fact, Ms. Bregman reports that more MBEs

and WBEs may be able to participate in contract awards because the five affected City departments will have more discretion and ability to award construction contracts under $100,000 without formal bid requirements, which are costly for small, and often MBE and WBE contractors. In addition every City Department has MBE/WBE goals which this ordinance will enable additional opportunities to achieve these goals. Furthermore, Ms. Bregman advises that none of the proposed revisions to Chapter 6 conflict with Chapter 12D of the Administrative Code. Under the current ordinance City departments have had the opportunity to conduct work in-house. The proposed legislation only increases that threshold for such in-house work from $50,000 to $100,000. Finally, according to Ms. Bregman, as contained in Section 6.62C, HRC would be responsible for setting the goals for MBE/WBE subcontractors participation, in accordance with Administrative Code Chapter 12D.A. It should also be noted that the legislation tightens the controls on as-needed contracts by imposing time limits and dollar limits, provisions that do not currently exist in Chapter 6.

8. According to Ms. Bregman, the threshold for competitively bidding construction contracts was last increased from $15,000 to the current $50,000 in 1986, approximately 13 years ago. Ms. Bregman reports that based on the Consumer Price Index (CPI) for all urban consumers in the Bay Area, the existing $50,000 threshold as of 1986 has increased to approximately $78,000 in 1999. When queried by the Budget Analyst why the actual $78,000 is not included in the proposed legislation with a CPI adjustment factor, Ms. Bregman reports that an annual CPI adjustment (1) would be too difficult for all five of the City departments affected by this legislation to continually track each year and (2) would require each department to then adjust their competitive bidding procedures and documents accordingly. Furthermore, Ms. Bregman indicates that, working with the sponsor of the proposed legislation's office, an amount of $100,000 was included in the proposed legislation, given the need to draft legislation that will be relevant for current as well as future use.

It should be noted that the $100,000 for the threshold level for competitive bidding is higher than the $78,000 comparable CPI adjustment which reflects 1999 levels. Although it is not that difficult to include the relevant CPI adjustments that need to be made annually, given the concerns raised by the City Attorney of annual adjustments, the Budget Analyst suggests that a CPI adjustment could be included to occur every five years, with the adjustment rounded to the nearest $1,000.

9. Ms. Bregman reports that the proposed increase from $25,000 to $250,000 for emergency contracts before requiring the Board of Supervisors approval was determined based on a sample review of emergency contracts awarded by the Department of Public Works over the past several years. According to the Office of the Sponsor of the proposed legislation, increasing the threshold from $25,000 to $250,000 allows the departments to undertake emergency work that routinely occurs each year, without requiring the Board of Supervisors approval.

10. As indicated above, technical amendments to the proposed ordinance will be drafted by the City Attorney for introduction at the October 5, 1999 Audit and Government Efficiency Committee Meeting.

11. Overall, the proposed ordinance is not anticipated to have any identified fiscal impact on the operations of the five individual departments. Under the proposed ordinance, the Board of Supervisors approval of emergency contracts will be limited to those contracts exceeding $250,000. As a result, all of the departments have noted that the proposed legislation will provide greater flexibility, discretion and potential efficiencies in contracting for public works construction and professional services contracts.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

City and County of San Francisco

Willie Lewis Brown, Jr.
Mayor

Human Rights Commission

Contract Compliance
Dispute Resolution/Fair Housing
Minority/Women/Local Business Enterprise
Lesbian Gay Bisexual Transgender & HIV Discrimination

Marivic S. Bamba
Executive Director

MEMORANDUM

To: Deborah Newman, Budget Analyst Office

From: Virginia Harmon, Human Rights Commission

Date: September 29, 1999

Re: Amendment to Chapter 6 of the Administrative Code

As you know, the Human Rights Commission ("HRC") is the implementing agency for Chapter 12D.A, MBE/WBE/LBE Utilization Ordinance. The revision of Chapter 6 of the Administrative Code poses several problems for the City's MBE/WBE program.

HRC has conducted an initial review of this proposed amendment and has identified several problem areas for the City's MBE/WBE program. HRC will conduct a more in-depth analysis of this proposed amendment prior to Board of Supervisor's Audit and Government Efficiency committee hearing on October 5, 1999.

I. LOSS OF OPPORTUNITY FOR MINORITY AND WOMAN BUSINESS ENTERPRISES

The proposed amendment intends to raise the threshold for informal contracts from $50,000 to $100,000. The informal contracting process is an abbreviated process, which may be limited to the solicitation of quotes from three bidders. (See Section 6.20.B) Departments may simply solicit quotes from three bidders. There is no requirement that departments solicit quotes from MBE/WBEs. With the informal contracting process, MBE/WBEs may not be invited to participate in the competitive process.

Further, departments now have the opportunity to compete with small MBE/WBEs for informal contracts. This creates an unfair advantage for departments because they do not have to obtain bonding or insurance. (See Section 6.23B) Departments are also not subject to the same type of

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liquidated damages that contractors face. Instead, the controller may refuse to approve contracts with a department shown to be repeatedly underbidding on contract work and failing to complete same within contract price or time. (See Section 6.23B)

II. CONFLICT WITH CHAPTER 12D

The proposed amendment of Chapter 6 conflicts in several places with the mandates of Chapter 12D.

A. The proposed amendment to Chapter 6 authorizes the Director to waive the requirements of Chapter 12D on all contracts. (See Section 6.5B) This conflicts with the MBE/WBE program because Chapter 12DA15 prescribes that the Director may only issue waivers in very limited circumstances.

B. Chapter 12D requires that contract awarding authorities "[a]rrange contracting by size and type of work to be performed so as most effectively to enhance the opportunity for participation by MBEs and WBEs to the maximum extent feasible." (Section 12DA9.3) In contrast, Section 6A provides that "[a]ny public work or improvement estimated to cost more than $100,000 shall be performed under contract awarded to the responsible bidder submitting the lowest responsive bid. **To split or divide any public work or improvement into two or more contracts for the purpose of evading this section shall constitute official misconduct.**" (Emphasis added.)

C. Section 6.60(D) provides that Department Heads may proceed with emergency work without additional approval if the estimated work is less than $250,000. Chapter 12DA.15 (A)(2) provides that Contract Awarding Authorities must seek the approval of HRC Director for all emergency contracts.

III. NEW CONTRACTING PROCESSES THAT MAY EXCLUDE MBEs/WBES

The proposed amendment to Chapter 6 creates several new contracting processes that may exclude participation by MBE/WBEs.

A. Section 6.61 Design Build. This section imposes a "good faith efforts" requirement on developers to utilize MBE/WBE sub-contractors, in contrast to the subcontracting program imposed by Chapter 12DA.

B. Section 6.62 Job Order Contracts and Section 6.64 As Needed Contracts. Section 6.62 describes a contracting process which allows contract Awarding Authorities to assign work on what amounts to an "as needed" basis. Chapter 12DA obligates the HRC and the Contract Awarding Authorities to establish sub-contracting goals based upon an estimate of the amount of work that will be performed by each trade and the availability of certified MBE/WBEs to perform work.

The Job Order Contract system will impact contractor's ability to meet sub-contracting goals because tasks will be assigned at the discretion of the Department Head on a periodic or task order basis, just as tasks are assigned on an as-needed contract.

Further, it has been the experience of the HRC that "as needed" type contracts are frequently abused by the Contract Awarding Authorities. New projects may be passed through these types of contracts and therefore MBEs/WBEs are precluded from competing for these type of contracts.

The initial review of this proposed amendment raised concern that it will have a serious impact on the City's MBE/WBE program. The HRC will conduct further analysis of this proposed amendment and its anticipated impact on MBE/WBEs. This analysis will be forwarded to you when it is completed.

Thank you for the opportunity to comment on this proposed amendment.

Item 4 – File 99-1150

Note: This item was continued from the Audit and Government Efficiency meeting of July 6, 1999

1. This is a hearing to consider the status of workers' compensation claims at the Municipal Railway and to discuss what steps Muni is taking to curb abuses of such workers' compensation claims.

2. The Controller's Office reports that, based on current, unaudited expenditure data, Muni expended $20,198,878 for workers' compensation claims in Fiscal Year 1998-99. That level of expenditure was $4,150,878 or 25.9 percent more than the original FY 1998-99 Muni workers' compensation budget of $16,048,000. The Fiscal Year 1999-2000 budget for Muni workers' compensation claims is $18,800,000 which is $1,398,878 or 6.9 percent less than Fiscal Year 1998-99 expenditures of $20,198,878.

3. According to Mr. Bob Kuo, Deputy General Manager for the Department of Public Transportation (DPT), the Muni will make a presentation to the Audit and Government Efficiency Committee at its October 5, 1999 meeting. The presentation will update the following issue areas discussed at the Audit & Government Efficiency Committee at its meeting of July 6, 1999:

- Recent cost trends for Muni's workers' compensation claims;
- Types of injuries that cause workers' compensation claims;
- Recent changes in State law regarding benefit rates and use of treating physicians for workers' compensation claims;
- Steps implemented by Muni to improve management and costs control of workers' compensation claims.

Mr. Kuo reports that the DPT will also provide the Audit and Government Efficiency Committee with a projected annual workers' compensation expenditure estimate for FY 1999-2000 based on the first three months of the Fiscal Year.

Comments

The Budget Analyst previously reported that the FY 1999-2000 budget for workers' compensation of approximately $48.2 million in General Fund and General Fund supported departments is slightly less than the FY 1998-99 actual spending levels of approximately $48.6 million. However, the Budget Analyst notes that amounts for workers' compensation expenditures in the FY 1999-2000 do not allow for growth in spending over the 1998-99 Fiscal Year. The percentage increase between FY 1997-98 actual workers' compensation expenditures and FY 1998-99 expenditures was approximately 14.5 percent.

According to Mr. Matthew Hymel, Mayor's Director of Finance, the Mayor previously announced budgetary incentives for controlling workers' compensation costs. Departments who expend less than their FY 1999-2000 budget for Workers Compensation will be allowed to "re-program" such savings for other Departmental spending priorities. In addition, the Mayor's Workers' Compensation Council (comprised of the Controller, the Director of Human Resources, the General Manager of the Employees Retirement System and Mr. Hymel) has commissioned a study, using unspent prior year project funds, to improve Workers Compensation claims management efficiency and develop improved management information reports. The study will provide benchmark workers' compensation measures from other jurisdictions, and an evaluation of the effectiveness of the City's workers' compensation Third Party Administrator (TPA)

The Budget Analyst notes that if actual FY 1999-2000 workers' compensation expenditures increase by 14.5 percent, which is the percentage growth in FY 1998-99 over FY 1997-98, the FY 1999-2000 budget for Workers Compensation expenditures will be underfunded by approximately $7,450,000.

Item 5 – 99-1545

Department: Department of Consumer Assurance, Regulatory Compliance and Agricultural Standards (CARCAS)

Item: Ordinance amending Chapter 9A of Part I of the San Francisco Municipal Code (Administrative Code), by amending Sections 9A.1 through 9A.15 and 9A.17 through 9A.20, and by repealing Section 9A.16, regarding the Farmers' Market.

Description: Currently, Chapter 9A of the San Francisco Municipal Code (Administrative Code) contains the rules and regulations governing the operation of the Farmers' Market. The proposed ordinance would amend Chapter 9A of the Administrative Code to revise such rules and regulations as follows:

1. Authorize the Agricultural Commissioner (which is otherwise known as the Director of the Department of Consumer Assurance, Regulatory Compliance and Agricultural Standards) (CARCAS) to establish, operate and maintain one or more Farmers' Markets in the City. Currently, the Director of Administrative Services is responsible for such tasks and is authorized to operate only one Farmers' Market located at 100 Alemany Boulevard. The Farmers' Market is open one day per week on Saturdays, according to Mr. Sid Baker, Assistant Director of CARCAS. Mr. Mario Kashou of the City Attorney's Office reports that under the proposed ordinance, the Agricultural Commissioner would be authorized to operate and maintain more than one Farmers' Market (see Comment No. 2). Mr. Kashou also reports that because other Farmers' Markets in the City (i.e., the Farmers' Markets at the United Nations Plaza and at the Ferry Plaza) are privately operated and maintained, they are not subject to the provisions of Chapter 9A of the Administrative Code;

2. Increase the stall fees to be charged by CARCAS to defray the costs of operating and maintaining Farmers' Markets established under the proposed ordinance, effective December 1, 1999. Currently, stall

fees are charged by the Department of Administrative Services (DAS) and are used to defray the costs of operating and maintaining only at the Farmers' Market at 100 Alemany Boulevard. The following table summarizes the current and proposed stall fees (see Comment No. 3):

Current Fees

April 1 through November 30 as follows:
- $5.50 per day for Tuesday through Thursday
- $11 per day on Friday
- $19 per day on Saturday

December 1 through March 31 as follows:
- $4.50 per day for Tuesday through Thursday
- $8.50 per day on Friday
- $14 per day on Saturday

Plus tonnage fees based on the amount of pounds brought to the Farmers' Market as follows:
- $4 for the first 1,000 pounds,
- $3 for the second 1,000 pounds, and
- $5 for each additional 2,000 pounds

Mr. Baker advises that the Department is proposing to eliminate the existing tonnage fees because they are no longer generating sufficient revenues to cover the costs of operating and maintaining the Farmers' Market at 100 Alemany Boulevard. The Department is also proposing to eliminate the existing stall fees for weekdays (Tuesday through Friday) to reflect the fact that the market has been open only on Saturdays since approximately 1980, according to Mr. Baker.

Proposed Fees

a. Certified Producers
- $40 per day from June 1 through November 30
- $30 per day from December 1 through May 31

b. Non-certified Producers
- $50 per day from June 1 through November 30
- $40 per day from December 1 through May 31

According to Mr. Baker, certified producers grow produce on his/her own property and are certified by the Agricultural Commissioner to sell such produce at a Farmers' Market. Conversely, non-certified producers are allowed by the Agricultural Commissioner to sell produce, which is not grown on his/her property, at a Farmers' Market.

3. Prohibit persons from selling products at each Farmers' Market established under the proposed ordinance without first obtaining permission to do so from the Agricultural Commissioner or his/her duly authorized representative. Presently, persons must apply for a permit to sell products at the Farmers' Market at 100 Alemany Boulevard from the Director of Administrative Services. According to Mr. Kashou, persons would no longer be required to apply for a permit to sell products at each Farmers' Markets established under the proposed ordinance. Instead, persons would simply be required to obtain permission to do so from the Agricultural Commissioner. Proof of such permission would be the stall fee receipt issued by the Agricultural Commissioner;

4. Require the Agricultural Commissioner to appoint a committee of at least three persons for each Farmers' Market established under the proposed ordinance. Each committee member must have permission from the Agricultural Commissioner to sell products at a Farmers' Market. Each committee would advise the Agricultural Commissioner as to the general policies under which that committee's Farmers' Market will be conducted and as to the character and nature of the products to be sold at the Farmers' Market. Currently, the Director of Administrative Services is responsible for appointing two persons to serve as the committee for the Farmers' Market at 100 Alemany Boulevard and neither committee member is required to have a permit to sell products at such market;

5. Transfer the responsibility for setting the rules and regulations governing the operation of the Farmers' Markets from the Director of Administrative Services to the Agricultural Commissioner;

6. Add a provision that states that any person whose permission to sell products at a Farmers' Market established under the proposed ordinance has been suspended by the Agricultural Commissioner is ineligible to apply for new permission during the subject suspension. In addition, any persons whose permission has been revoked by the Agricultural Commissioner is ineligible to apply for new permission for a period of two years from the date of the revocation, unless the Agricultural Commissioner specifically allows that person to apply sooner than the two-year period. Finally, any person, whose permission to sell products at a Farmers' Market has been suspended more than twice in a 18-month period and thereafter is suspended a third time, may have such permission indefinitely suspended or revoked in the discretion of the Agricultural Commissioner; and

7. Establish that any person who violates Section 9A.14 of the subject Chapter is guilty of a misdemeanor punishable by a fine of not more than $500 or imprisonment for not more than 30 days or both. Currently, only persons with a valid permit to sell products at the Farmers' Market can be subject to such fines.

Comments:

1. In July of 1999, the Department of Agriculture, Weights and Measures was renamed the Department of Consumer Assurance, Regulatory Compliance and Agricultural Standards (CARCAS).

2. According to Mr. Baker, CARCAS intends to open a Farmers' Market at Islais Creek approximately in mid-October of 1999. Mr. Kashou advises that this proposed Farmers' Market at Islais Creek would be established under the proposed ordinance and as such, would be subject to the provisions of Chapter 9A of the Administrative Code.

3. Mr. Baker advised the Budget Analyst that although the current stall fees as shown above are set in accordance with the provisions of Chapter 9A of the Administrative Code, since approximately 1980, the

Department has charged fees which differ from those specified in the Administrative Code. The Department has charged both certified and non-certified producers a stall fee of $37 each Saturday from June 1 through November 30 of each year (summer) and $30 each Saturday from December 1 through May 31 of each year (winter). The Attachment, provided by Mr. Baker, addresses this issue. In addition, Mr. Baker explains in the attached memorandum why the Department is now proposing to:

- Increase the existing stall fee for the summer period from $37 each Saturday to $40 each Saturday for certified producers and $50 each Saturday for non-certified producers; and
- Increase the existing stall fee for the winter period from $30 to $40 each Saturday for non-certified producers.

4. Mr. Baker estimates that in FY 1999-2000, the Department will collect approximately $225,000 from the existing stall fees. Mr. Baker states that if the proposed ordinance is approved, the Department estimates that in FY 1999-2000, it will collect approximately $18,600 in increased fee revenues resulting from the proposed fee increases. Therefore, existing and proposed fees are estimated to total $243,600 in FY 1999-2000. All fees collected under the subject Chapter would be deposited into the Department's Farmers' Market Fee Fund to be used to cover the costs of operating and maintaining the Farmers' Markets, according to Mr. Baker, subject to Board of Supervisors appropriation approval.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
President Ammiano
Supervisor Becerril
Supervisor Bierman
Supervisor Brown
Supervisor Leno
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey

CITY AND COUNTY OF SAN FRANCISCO

Attachment
Page 1 of 2

DEPARTMENT OF CONSUMER ASSURANCE, REGULATORY COMPLIANCE AND AGRICULTURAL STANDARDS

David C. Frieders
Director

Sid E. Baker
Assistant Director

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Co./Dept. Budget Anal | Co. Ag Wt
Phone # 554-7642 | Phone # 285-5010
Fax # 252-0461 | Fax # 285-8776

MEMORANDUM

TO: Gabriel Cabrera
Budget Analyst

FROM: David C. Frieders
Director

By Sid Baker
Assistant Director

DATE: October 1, 1999

SUBJECT: Requested response to revision of Charter Section 9A, Alemany Farmers' Market

Changes in the market operation and increasing costs for security and traffic congestion control for overtime DPT officers have resulted in the need for fee changes. Weekday markets were suspended approximately 1980? [20+ years ago] because they ceased to be successful due to changes in market conditions. In addition, the authorized tonnage fees were suspended and no longer necessary. The tonnage fee was rounded to $7 per week. All of these increase changes apparently were verbally agreed between the past Commissioners and the farmers to cover operating and maintaining the market.

As a result of the above issues and changes with the overall success of the Saturday only market, the original stall fees, $19 Summer, $14 Winter were changed to $37 Summer and $30 Winter. The summer fee includes $19 as stated in the code, plus $11 stall holding fee, plus $7 tonnage fee for a total of $37. The winter fee includes $14 as stated in the code, plus $9 stall holding fee, plus $7 tonnage fee for a total of $30. These are the current fees being charged in continuity for the last 20+ years through verbal agreement. The $30 and $37 fees are reasonable and less than other markets in the area.

The Alemany Market property also includes advantages to both the vendor and customer that would justify higher fees when compared with other markets. There are covered stalls,

Division of Agriculture
501 Cesar Chavez, Suite 109-A
San Francisco, CA 94124
(415) 285-5010

Alemany Farmer's Market
100 Alemany Blvd.
San Francisco, CA 94110
(415) 647-9423

Division of Weights and Measures
501 Cesar Chavez, Suite 109-A
San Francisco, CA 94124
(415) 285-5012

vendor loading docks, accessible free customer parking, restrooms and direct office facilities. The Department has been attempting to upgrade the facility and this year new electrical service nearly is completed. Because of these site advantages the fees are more than reasonable when compared with area markets.

Because of the on-going vehicle-pedestrian safety hazard in the center aisle area, the Department has attempted to close this traffic lane and make commensurate traffic flow changes for safety and ADA compliance. The requested increase in certified grower fees from $37 to $40 is being added to cover increased costs being incurred for traffic control officers and police security under their new wage agreement. These officers are only for use in the Market. In addition, there are approximately 10 to 15 non-certified local vendors in the market selling prepared goods such as breads, desserts, ethnic foods, etc. Because their production, costs and sales remain somewhat constant and are less subject to seasons and price fluctuations, the Department believes fees of $50 Summer and $40 Winter are fair and reasonable to these vendors, a number of whom use electricity to heat their products.

Also, the Department is piloting a new Farmer's Market at Islayis Creek to coincide with the Islayis Creek opening Festival October 2, 1999 as an opportunity to provide market services closer to the Bay View area and expand market sales opportunities for Alemany vendors. If the Islayis market is successful for customers and vendors, the Department may want to consider other trial markets in similar communities. The Department is requesting the option to pilot, manage and operate other markets in the City as the need and opportunity may arise.

The County Agricultural Commissioner is given jurisdiction to regulate Certified Farmer's Markets under the State Agriculture Code. The Ferry Plaza Farmers' Market and the Heart of the City Farmers' Market are operated and managed by independent contractors. Both of these markets are Certified Markets and regulated by the Department County Agricultural Commissioner.

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City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Victor Young

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Tuesday, October 05, 1999 | **1:00 PM** | **City Hall, Room 263**

Regular Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

Meeting Convened

The meeting convened at 1:03 P.M.

991630 **[Accepting gift to support the activities and operations of Project Read for non-readers conducted by the Public Library]**

Resolution authorizing the San Francisco Public Library to accept and expend a gift of $273,000 from the Friends and Foundation of the San Francisco Public Library to support Project Read, the adult literacy program of the San Francisco Public Library. (Public Library)

8/18/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: George Mentz, General Manager, Public Library. Amended page 1 line 6 after Library to add the following "urging the designation of the positions as grant funded positions" and page 1 line 25 after community to add "FURTHER RESOLVED, that the Board urge the Controller to designate the positions created under the proposed grant as "G" or grant-funded positions which would terminate when grant expires."

AMENDED.

RECOMMENDED AS AMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991637 **[Accepting gift to support the activities and operations of Project Read for non-readers conducted by the Public Library]**

Resolution authorizing the San Francisco Public Library to accept and expend $72,000 to be awarded by the California State Library to support Project Read, the Adult Literacy Program of the San Francisco Public Library, and that indirect costs be waived. (Public Library)

8/18/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: George Mentz, General Manager, Public Library. Amended page 1 line 6 after waived to add"urging the designation of the positions as grant funded positions." and page 1 line 21 after waived to add "FURTHER RESOLVED, that the Board urge the Controller to designate the positions created under the proposed grant as "G" or grant-funded positions which would terminate when grant expires."

AMENDED.

RECOMMENDED AS AMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

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991645 **[Administrative Code Revision, Chapter 6]**

Supervisor Kaufman

Ordinance amending Chapter 6 of the San Francisco Administrative Code to delete out-dated references and obsolete provisions; to re-organize, re-number and consolidate existing provisions for a revised Chapter 6, to add provisions defining terms relevant to public works contracting; to add provisions clarifying the requirements and procedures for competitive bidding and the award of public work and related temporary professional service contracts; to increase the threshold for competitive bidding and award of public work contracts to $100,000; to revise the procedures for and increase to $250,000 emergency contracting authority; to add new procedures for job order contracts, as needed contracts, elevator, escalator and fire alarm service contracts and convention facility public work contracts; to clarify penalties and procedures for violations of Chapter 6 and the submission of false claims.

(Deletes and revises Chapter 6.)

8/23/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/22/1999.

9/21/99, SUBSTITUTED. SUBSTITUTED bearing new title by Supervisor Kaufman in Board.

9/21/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Sheryl L. Bregman, City Attorney; Debra Newman, Budget Analyst Office; Carlene Kelly, Dept. of Public Works; Shenaff Senagii, Muni; Janet Odoms, Public Utilities Commission; Gretchen Nickleson, City Attorney representing the SF Airport; Cliff Gerald, Port of San Francisco; Virgina Hartman, Human Rights Commission; Henry Chang, Asian American Architect and Engineers; Mr. Kelly, Dept. of Public Works; Mitchell Jamerson, Jamerson's Construction; Harry Jamerson, Jamerson's Construction; Ed Tong, Coalition for Economic Equity.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991150 **[Workers' Compensation, Municipal Railway]**

Supervisors Kaufman, Ammiano, Newsom

Hearing to consider the status of workers' compensation claims at the San Francisco Municipal Railway and to discuss what steps MUNI is taking to curb abuses of workers' compensation.

6/7/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Request this item be scheduled at the July 6, 1999 meeting.

7/6/99, CONTINUED. Heard in Committee. Speakers: Michael Burns, General Manager, Municipal Railway; Jeff Gary, Workers Compensation Coordinator, Municipal Railway; Ed Harrington, Controller. Continued to October 5, 1999.

Heard in Committee. Speakers: Michael Burns, General Manager, Municipal Railway; Jeff Kerry, Municipal Railway; Jim Corrigan; Rey Antonio, Local 38.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991545 **[Administrative Code Revision - Chapter 9A]**

Supervisor Kaufman

Ordinance amending Administrative Code Sections 9A.1 through 9A.15 and 9A.17 through 9A.20 and by repealing Section 9A.16, regarding Farmers' Market, to update language and to establish a new fee schedule.

(Amends Sections 9A.1 through 9A.15, 9A.17 through 9A.20; repeals Section 9A.16.)

8/9/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/8/1999.

9/16/99, AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: None. Continued to October 5, 1999.

9/16/99, CONTINUED AS AMENDED.

Heard in Committee. Speakers: David Frieders, Agricultural Commissioner, Director of Weights and Measures.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991546 **[Administrative Code Revision - Chapter 9B]**

Supervisor Kaufman

Ordinance amending Administrative Code Sections 9B.1, 9B.4, 9B.5, 9B.6, 9B.7, and 9B.8, regarding the Flea Market.

(Amends Sections 9B.1, 9B.4, 9B.5, 9B.6, 9B.7, and 9B.8.)

8/9/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/8/1999.

9/16/99, CONTINUED. Heard in Committee. Speakers: None. Continued to October 5, 1999.

Heard in Committee. Speakers: David Frieders, Agricultural Commissioner, Director of Weights and Measures.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

LITIGATION

This Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

991074 **[Settlement of Lawsuit: Insurance claim against Builders Risk Carrier to pay the City $1,366,769.27]**

Ordinance authorizing the settlement of the claim of the City and County of San Francisco against Builders Risk Carrier U.S. Fire Insurance Company under Policy No. 321-068464, for damage resulting from the December 11, 1995 Seacliff incident, for a settlement to the City in the amount of $1, 366.769.27. (City Attorney)

(U.S. Superior Court No. 980-740.)

8/19/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991348 **[Settlement of Lawsuit: Sandra Canchola]**
Ordinance authorizing settlement of litigation of Sandra Canchola against the City and County of San Francisco by payment of $112,500. (City Attorney)

(S.F. Superior Court No. 991-333.)
9/3/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.
RECOMMENDED.. by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

991713 **[Settlement of Lawsuit, ADA Task Force]**
Ordinance authorizing settlement of litigation of ADA Task Force Against City and County of San Francisco, et al. by payment of $86,000. (City Attorney)

(U.S. District Court No. C97-2438 CRB.)
9/10/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.
RECOMMENDED.. by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

991750 **[Settlement of Lawsuit, Babyruth Salazar, et al.]**
Ordinance authorizing settlement of litigation of Babyruth Salazar and Andrew Salazar against the City and County of San Francisco by payment of $30,000. (City Attorney)

(Alameda Superior Court No. H199564-0.)
9/15/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.
RECOMMENDED.. by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

991751 **[Settlement of Lawsuit, Charlie Rivers, Jr.]**
Ordinance authorizing settlement of litigation of Charlie Rivers, Jr. against the City and County of San Francisco by payment of $100,000. (City Attorney)

(S.F. Superior Court No. 301-709.)
9/15/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.
RECOMMENDED.. by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

This Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the above items at this time and may move not to disclose any information at this time.

ADJOURNMENT

The meeting adjourned at 3:37 P.M.

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12/99 1:00p.m
rescheduled
to
11/2/99
3:00p.m

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF RESCHEDULED MEETING

AUDIT AND GOVERNMENT EFFICIENCY COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN That the regularly scheduled Audit and Government Efficiency Committee meeting for Tuesday, November 2, 1999, at 1 p.m. has been rescheduled. The Audit and Government Efficiency Committee will meet on Tuesday, November 2, 1999, at 3 p.m., 1 Dr. Carlton B. Goodlett Place, Room 263 , San Francisco, California.

Gloria L. Young
Clerk of the Board

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City and County of San Francisco

Meeting Agenda

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Victor Young

Tuesday, November 02, 1999 **3:00 PM** **City Hall, Room 263**

Rescheduled Meeting

REGULAR AGENDA

1. 991834 **[Gift Acceptance, Chronicle Publishing Company, to fund red light camera]**
Mayor
Resolution authorizing the acceptance of a gift of one hundred thousand dollars ($100,000) from the Chronicle Publishing Company to fund a red light camera at the intersection of 5th and Mission Streets.
9/27/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

2. 991914 **[Reward Authorization]**
Ordinance authorizing payment of reward to Doe One. (Mayor)
10/6/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

3. 991856 **[Gift acceptance of $30,040 from the Hormel Endowment managed by the Friends and Foundation of the S.F. Library for identifying, processing, formatting various materials in the Library's Gay and Lesbian Collection]**
Resolution authorizing the San Francisco Public Library to accept and expend a gift of $30,040 from the Friends and Foundation of the San Francisco Public Library for cataloging and enhancing access to materials in the gay and lesbian collections. (Public Library)
9/28/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

4. 991665 **[Controller's Audit: San Francisco Public Library]**
Supervisor Kaufman
Hearing to consider the Controller's audit of revenue collection procedures and safeguards at the branch libraries of the San Francisco Public Library.
8/23/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Request that this matter be calendared at a special meeting, September 16, 1999.

5. 991847 **[Performance Audit, Commission on the Status of Women]**
Supervisor Kaufman
Hearing to consider the Controller's performance audit of the Commission on the Status of Women.
9/27/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Request that this matter be scheduled at the November 2, 1999 Hearing.

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6. 991830 **[Administrative Code Revision, Chapter 10C]**

Supervisor Kaufman

Ordinance amending Administrative Code Sections 10C.1, 10C.2 and 10C.5 to provide for the waiver as well as the reimbursement of towing fees, to provide for waiver or reimbursement of towing fees for certain stolen vehicles, to prohibit reimbursement of towing fees where the vehicle owner cannot provide proof of financial responsibility, and to clarify the procedure and time limit for seeking reimbursement of towing fees.

(Amends Sections 10C.1, 10C.2 and 10C.5.)

9/27/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 10/27/1999.

LITIGATION

This Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

7. 991946 **[Settlement of Claim, Michael Lias]**

Ordinance authorizing settlement of claim of Michael Lias against the City and County of San Francisco, et al. by payment of $77,581. (City Attorney)

(S.F. Superior Court No. 996210.)

10/13/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

This Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the above items at this time and may move not to disclose any information at this time.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE:

Persons unable to attend the hearing may submit to the City, by the time the proceeding begins, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to (insert clerk name), clerk of the (insert committee name), City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, California 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to (insert Mr., Ms Clerk) by that time may be taken directly to the hearing at the location above.

LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

991830 **[Administrative Code Revision, Chapter 10C]**

Supervisor Kaufman

Ordinance amending Administrative Code Sections 10C.1, 10C.2 and 10C.5 to provide for the waiver as well as the reimbursement of towing fees, to provide for waiver or reimbursement of towing fees for certain stolen vehicles, to prohibit reimbursement of towing fees where the vehicle owner cannot provide proof of financial responsibility, and to clarify the procedure and time limit for seeking reimbursement of towing fees.

(Amends Sections 10C.1, 10C.2 and 10C.5.)

9/27/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 10/27/1999.

991879 **[Performance and Review Ordinance]**

Supervisor Newsom

Ordinance amending Administrative Code by adding Chapter 88, Sections 88.1 through 88.11, to require an annual departmental efficiency plan, including a customer service element, a strategic planning element, an annual performance element, and a program performance element, and providing for a pilot program and training.

(Adds Chapter 88, Sections 88.1 through 88.11.)

10/4/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/3/1999.

Watch future agendas for matters.

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

The following services are available when requests are made by 4:00 p.m. of the Friday before the Board meeting:

For American Sign Language interpreters, use of a reader during a meeting, or sound enhancement system, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of agenda, contact Annette Lonich at (415) 554-7706.

Following a meeting minutes are available in alternative formats. Contact Marie McKechnie at (415) 554-7722.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6171.

AUDIT AND GOVERNMENT EFFICIENCY COMMITTEE
S.F. BOARD OF SUPERVISORS
CITY HALL, ROOM 244
1 DR. CARLTON GOODLETT PLACE
SAN FRANCISCO, CA 94102-4689

IMPORTANT HEARING NOTICE!!!

Bill Lynch
Govt Information Ctr
41 Library
100 Larkin Street

Public Library,Gov't Info. Ctr., 5th Flr.
Attn: *Susan Hom*

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 29, 1999

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: November 2, 1999 Audit and Government Efficiency Committee Meeting

DOCUMENTS DEPT.

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PUBLIC LIBRARY

Item 1 – File 99-1834

Department:	Department of Parking and Traffic (DPT)
Item:	Resolution authorizing the acceptance of a gift of $100,000 from the Chronicle Publishing Company to fund a red light camera at the intersection of 5th and Mission Streets.
Gift Amount:	$100,000
Source of Gift:	Chronicle Publishing Company
Description:	In October of 1996, the City implemented the Red Light Photo Enforcement Program. The Program, which began as a pilot project, installed five cameras at five street intersections in the City to detect vehicles which run red lights. As a result of the Red Light Photo Enforcement Program, the Department of Parking and Traffic (DPT)

found that the number of red light runners at the camera-enforced intersections dropped more than 40 percent.

The Department of Parking and Traffic (DPT) is currently in the process of expanding the pilot program from the initial five street intersections with five cameras to a total of 26 street intersections, with 13 cameras to be rotated among the 26 intersections.

Approval of the proposed resolution would authorize the Department of Parking and Traffic to accept a gift of $100,000 from the Chronicle Publishing Company to be used to purchase and install one additional red light camera at the intersection of 5th and Mission Streets. The proposed camera to be located at 5th and Mission Streets would be in addition to the 26 street intersections noted above.

Comment: According to Ms. Theodora Gray of DPT, the Department has requested that this item be continued due to scheduling conflicts with senior staff of DPT.

Recommendation: Continue the proposed resolution as requested.

Item 2 - File 99-1914

Department: Mayor
Police Department

Item: Ordinance authorizing payment of a $10,000 reward to Doe One.

Reward Amount: $10,000

Source of Funds: General Fund - FY 1999-2000 Claims and Judgments Account.

Description: The Police Department has reported that on February 24, 1996, Mr. Sergio Crockett was killed by an unknown assailant. As part of the investigation into the murder of Mr. Crocket, the Police Department requested that the Mayor exercise his authority under Section 10.177.1 of the City's Administrative Code to offer a $10,000 reward for information leading to the apprehension and conviction of the suspect.

The Mayor offered a $10,000 award on July 18, 1996. Subsequently, an individual, referred to legally as "Doe One," provided information to the Police Department leading to the apprehension and conviction of the suspect.

The suspect was convicted on June 10, 1999.

According to the Police Department, the assistance of Doe One was critical in leading to the apprehension and conviction of the suspect. As such, the Mayor is requesting that the Board of Supervisors approve the proposed ordinance which would authorize the payment of the $10,000 reward to Doe One.

Comment: Additional details on the subject case are contained in confidential documents which have been placed on file with the Board of Supervisors.

Recommendation: Approve the proposed ordinance.

Item 3 – File 99-1856

Department: Library

Item: Resolution authorizing the San Francisco Public Library to accept and expend a gift of $30,040 from the Friends and Foundation of the San Francisco Public Library for cataloging and enhancing access to materials in the Gay and Lesbian Collections at the Main Library and the Eureka Valley Branch Library.

Gift Amount: $30,040

Source of Funds: Friends and Foundation of the San Francisco Public Library

Budget: The Library will expend $30,040 on a service contract with Advanced Information Management, as follows:

Cataloging of books	$ 2,400
Processing, barcoding, and entering books online	600
Inventory periodicals and ephemera[1] and identify alternate formats (930 hours @ $29.07 per hour)	27,040
Total	$30,040

Description: The Hormel Endowment is a $861,000 endowment to the Friends and Foundation of the San Francisco Public Library, a nonprofit organization dedicated to raising funds to assist the Library, to be used for (a) improving and maintaining the physical structure and design of the Gay and Lesbian Center, located at the Main Library and the Eureka Valley Library, and (b) the purchase and maintenance of the Gay and Lesbian Collection at these two libraries.

Approval of the proposed resolution would authorize the Library to accept and expend a gift of $30,040 from the Friends and Foundation of the San Francisco Public Library Hormel Endowment for the purpose of cataloging,

[1] Ephemera are nontraditional library holdings of historical interest, such as posters, pamphlets, buttons, stickers, event programs, and other printed matter.

processing, barcoding and online entering of books, and compiling an inventory of periodicals and other materials in the Library's Gay and Lesbian Collection.

Comment: According to Ms. Sybil Boutilier of the Library, the proposed $30,040 would be expended on a service contract with Advanced Information Management (A.I.M.), a sole source provider, to inventory and identify alternate formats for periodicals and ephemera, and to catalog, process, and enter books online in the Gay and Lesbian Collection. Ms. Boutilier states that the Library has an existing contract with A.I.M. to perform similar services, which would be amended on a sole source basis to include the services for the Gay and Lesbian Collection, based on the experience of A.I.M. in performing such services.

Recommendation: Approve the proposed resolution.

Item 6 – File 99-1830

Department: Parking and Traffic

Item: Ordinance amending Chapter 10C of the San Francisco Municipal Code (Administrative Code), by amending Sections 10C.1, 10C.2 and 10C.5, to (a) provide for the waiver as well as the reimbursement of towing fees for certain stolen vehicles, (b) prohibit reimbursement of towing fees where the vehicle owner cannot provide proof of financial responsibility and (c) clarify the procedure and time limit for seeking reimbursement of towing fees.

Description: The proposed ordinance would amend three sections of Chapter 10C of the City's Administrative Code in order to (1) permit waivers and reimbursement of vehicle towing fees for indigent owners of vehicles and victims of auto theft; (2) prohibit the reimbursement of vehicle towing fees in those cases where the vehicle owner, including a firm or corporation which owns the vehicle for commercial purposes, cannot provide evidence of financial responsibility, which is defined as proof of insurance for the vehicle, in accordance with Section 16020 of the California Vehicle Code; and (3) delete reference to the Chief of Police, add the Director of Parking and Traffic's designee, change the deadline date for requests for reimbursement or exemption from the payment of fees, charges or costs incurred from within one month of the date the fees, charges or costs accrue to within 30 calendar days of the date of the tow of the vehicle and enable the Director of Parking and Traffic to further extend this deadline date in his or her sole discretion, for good cause.

According to Mr. Steve Bell of the Department of Parking and Traffic, the proposed ordinance is intended to clarify existing procedures for the Department of Parking and Traffic Hearing Officers, who are responsible for conducting all of the tow hearings for the Department of Parking and Traffic, the Police Department and the Public Transportation Department. Mr. Bell advises that the proposed ordinance also revises some language to be consistent with the State's Vehicle Code.

Comments:

1. Mr. Bell reports that the proposed ordinance will not result in any changes to the fees or charges imposed by the Department. Instead, the proposed ordinance will only clarify and allow for consistent remedies for all reimbursements or exemptions from tow charges, fees and costs, according to Mr. Bell. As a result, Mr. Bell does not anticipate that the proposed ordinance will result in any fiscal impacts to the City.

2. The Budget Analyst notes that Section 10C.5, Time Limit to Request Reimbursement, of the proposed ordinance would add the provision that "The Director may, in his or her sole discretion, extend this deadline for good cause shown." Based on discussions with the Department of Parking and Traffic, to permit flexibility for the Department, it is recommended that this provision be amended to state "The Director, *or his or her designee* may, in his or her sole discretion, extend this deadline for good cause shown" in order to add a designee of the Director of the Department of Parking and Traffic, to this provision.

Recommendations: Amend the last line of Section 10C.5 of the proposed ordinance to add "his or her designee" to the proposed Director of Parking and Traffic as the person(s) who would have the discretion to extend the deadline date for reimbursement or exemption from the payment of towing fees, charges or costs incurred.

Approve the proposed ordinance, as amended.

Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
President Ammiano
Supervisor Becerril
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SAN FRANCISCO BOARD OF SUPERVISORS

AUDIT AND GOVERNMENT EFFICIENCY COMMITTEE

November 2, 1999

The Minutes for this meeting are not available.

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

December 3, 1999

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: December 7, 1999 Audit and Government Efficiency Committee Meeting

Item 1 - File 99-1709

Item: Resolution authorizing reimbursement for the cost of employee personal property damaged and/or stolen in the line of duty.

Description: Section 10.25-8 of the City's Administrative Code authorizes the Controller, subject to approval of the Board of Supervisors, to provide reimbursement to non-uniformed City employees to enable the employee to recover all or part of their costs of replacing or repairing equipment or property that has been damaged or stolen in the line of duty without the fault of the City employee if such loss exceeds $1,000, when (1) a verified claim is filed, (2) the department head certifies to the Controller that the damage or theft occurred in the line of duty and the amount certified for payment is fair and reasonable, the damage or theft occurred without fault of the employee and was occasioned by unusual circumstances, (3) the Controller concurs with the department head's certification, and (4) funds are available for such purpose.

DOCUMENTS DEPT.

DEC - 7 1999

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The Board of Supervisors previously approved an ordinance (Ordinance No. 478-97) permitting the Controller to pay employee claims that are less than $1,000, without requiring Board of Supervisors approval, if the claim is certified by the Department head as being fair and reasonable and occurring in the line of duty and if sufficient funds are available.

Regarding the subject resolution, a claim of $1,215.33 has been filed by one employee of the Emergency Communications Department. The Emergency Communications Department Manager certified that the damage to the employee's vehicle occurred in the line of duty, was not the fault of the employee and recommended a total reimbursement payment of $1,215.33 as being fair and reasonable.

Comments:

1. According to Mr. Joe Matranga of the Controller's Office, the Controller's Office recommends full reimbursement for this one claim submitted by the Emergency Communications Department. However, the Budget Analyst notes that the employee's insurance company paid $715.33 for the repairs to the employee's vehicle, given the $500 deductible, which was paid by the employee, for a total cost of $1,215.33. However, Mr. Matranga advises that since it was the City's fault that the employee's vehicle was damaged, the Controller's Office will fully reimburse the employee the total of $1,215.33 and simultaneously notify the insurance company that such full reimbursement to the employee was made. The employee would then be responsible for reimbursing the insurance company for $715.33.

2. Mr. Matranga advises that the funds necessary for the proposed reimbursement are available from the operating budget of the Emergency Communications Department.

3. The Budget Analyst notes that the Controller's Office has prepared the necessary resolution for the subject legislation, which will be submitted to the Audit and Government Efficiency Committee.

Recommendation: Prepare in and report out the proposed resolution authorizing payment of the subject claim, as recommended by the Controller's Office.

Item 2 – File 99-1834

Note: This item was continued by the Audit and Government Efficiency Committee at its meeting of November 2, 1999

Department: Department of Parking and Traffic (DPT)

Item: Resolution authorizing the acceptance of a gift of $100,000 from the Chronicle Publishing Company to fund a red light camera at the intersection of 5th and Mission Streets.

Gift Amount: $100,000

Source of Gift: Chronicle Publishing Company

Description: In October of 1996, the City implemented the Red Light Photo Enforcement Program. The Program, which began as a pilot project, installed five cameras at five street intersections in the City to detect vehicles which run red lights. As a result of the Red Light Photo Enforcement Program, the Department of Parking and Traffic (DPT) found that the number of red light runners at the camera-enforced intersections dropped more than 40 percent.

The Department of Parking and Traffic (DPT) is currently in the process of expanding the pilot program from the initial five street intersections with five cameras to a total of 26 street intersections, with 13 cameras to be rotated among the 26 intersections. (see Comment 1).

Approval of the proposed resolution would authorize the Department of Parking and Traffic to accept a gift of $100,000 from the Chronicle Publishing Company to be used to purchase and install one additional red light camera at the intersection of 5th and Mission Streets. The proposed camera to be located at 5th and Mission Streets would be in addition to the 26 street intersections noted above.

Comments: 1. According to Ms. Bridget Smith of DPT, DPT is in the process of expanding the Red Light Photo Enforcement Program, by installing 8 new cameras to be rotated

among 21 additional street intersections as an addition to the five cameras installed at five street intersections in the initial pilot program, for a total of 13 cameras to be rotated among 26 street intersections. The attached memorandum, provided by DPT, contains (a) a list of the street intersections included in the initial pilot program, (b) the plans for expansion of the program, including the specific additional street intersections and the number of additional cameras, (c) the process of awarding and negotiating a contract with the selected vendor, PRWT Services, Inc., subsequent to Board of Supervisors approval of the Red Light Photo Enforcement Program (Resolution 271-97) in August of 1997, and (d) the exact status of the actual or planned installation dates of the 13 cameras at 26 street intersections.

2. Ms. Smith states that DPT's contract with PRWT provides for the operation of 35-mm cameras at the selected street intersections. According to Ms. Smith, DPT also plans to install digital or video cameras at four additional street intersections as part of the Moscone Center Expansion Project. These four street intersections are not included in the 26 street intersections which are part of the PRWT Services, Inc. contract. Therefore, Ms. Smith states that DPT will issue a Request for Proposal (RFP) to select a vendor to provide digital or video cameras at the four street intersections which are part of the Moscone Center Expansion Project.

Ms. Smith states that the $100,000 gift would be used to purchase an additional 35-mm camera and necessary equipment under the existing PRWT Services, Inc. contract.

The attached memorandum from DPT contains an explanation of DPT's option to purchase the proposed camera equipment for 5th and Mission Streets under the existing contract with PRWT Services, Inc. and the associated costs. As stated in the attached memorandum, the Chronicle Publishing Company is providing the $100,000 for the purchase and installation of the camera and necessary equipment at 5th and Mission Streets.

3. Ms. Smith reports that the City receives $99.48[1] per ticket issued for running a red light and that the Red Light Photo Enforcement Pilot Program has generated approximately 50 tickets per camera per month, from December of 1996 through September of 1999. Therefore, the expected revenue from the installation of a camera at 5th and Mission Streets would be $4,974 per month or $59,688 per year. Ms. Smith states that the projected operational cost of the subject one additional camera to be given to the City by the Chronicle Publishing Company would be approximately $925 per month or $11,103 per year, based on the maintenance and operation charge for 13 cameras (the 5 cameras in the pilot program plus the 8 additional cameras) in the PRWT contract with DPT. According to Ms. Smith, such additional maintenance costs can be absorbed within the existing DPT budget.

Recommendation: Approve the proposed resolution.

[1] The State-mandated cost of a ticket for running a red light is $271, of which the City receives $147.98. In the contract between DPT and PRWT Services, Inc., PRWT receives $48.50 per citation. The City's revenue, therefore, is $99.48 per ticket ($147.98 less $48.50).

City and County of San Francisco

SAN FRANCISCO
DPT
DEPARTMENT OF PARKING & TRAFFIC

WILLIE LEWIS BROWN, JR., MAYOR
STUART R. SUNSHINE, EXECUTIVE DIRECTOR

MEMORANDUM

TO: Harvey Rose, Budget Analyst to the Board of Supervisors

FROM: Stuart R. Sunshine, Executive Director

SUBJECT: Red Light Photo Enforcement Program
Gift from the Chronicle Publishing Company

DATE: December 2, 1999

This memorandum is in response to your questions about the Red Light Photo Enforcement Program, managed by the Department of Parking and Traffic (DPT).

Pilot Program

The Red Light Photo Enforcement Program began as a pilot project in October 1996. At that time, DPT invited all interested vendors to participate in the test. Two vendors responded and installed cameras: EDS and US Public Technologies (USPT). Midway into the pilot EDS pulled out of the project due to business reasons. USPT took over EDS' intersections and kept them operating until the expansion project began. Five of the pilot project intersections remain in operation under our expansion contract:

- 5th Street/Howard Street
- 7th Street/Mission Street
- 9th Street/Howard Street
- 19th Avenue/Sloat Boulevard
- Pine Street/Presidio Avenue

Cameras are mobile and rotate among various intersection approaches. A total of eight (8) approaches are equipped for cameras at these five (5) intersections.

Planned Program Expansion

The Board of Supervisors initiated the expansion of the Red Light Photo Enforcement Program in March 1997. In July 1997, the Parking and Traffic Commission authorized DPT to issue a Request for Proposals (RFP) for the expansion project. DPT released the RFP in September 1997 as a special hybrid contract that included both personal services and construction. Three companies submitted bids in October 1997, but only two were selected by the evaluation panel for oral interviews: Redflex and USPT. The evaluation panel selected USPT in November 1997 as the best-qualified candidate. Contract negotiations began in December 1997. The contract was awarded in December 1998 to USPT. In January 1999, USPT was purchased by Lockheed Martin IMS, and requested that the contract be assigned to PRWT Services Inc. (PRWT). The contract was assigned to PRWT in August 1999.

(415) 554-PARK FAX (415) 554-9834 25 Van Ness Ave., Suite 410 San Francisco, CA 94102-4576

The expansion under the contract with PRWT will take place in two phases. The first phase of expansion is currently under construction and includes the following nine (9) locations:

- 1st Street/Folsom Street (construction completed, currently in test operation)
- 6th Street/Bryant Street (construction completed, currently in enforcement operation)
- 8th Street/Bryant Street
- 3rd Street/Harrison Street
- 5th Street/Harrison Street
- 8th Street/Harrison Street
- 14th Street/South Van Ness Avenue
- Broadway/Van Ness Avenue
- Franklin Street/Lombard Street

The second phase of expansion includes twelve (12) additional intersections and is currently in design. After this planned expansion, the Red Light Photo Enforcement Program will consist of thirteen (13) cameras rotated among fifty (50) intersection approaches at twenty-six (26) intersections total. The construction work should be completed in Spring 2000.

Future Program Expansion

Gift from the Chronicle Publishing Company

The Chronicle Publishing Company offered to gift $100,000 to add the intersection of 5th and Mission Streets to the existing expansion contract. Adding this location to the existing contract will bring automated enforcement to this intersection as soon as possible. If the Chronicle Publishing Company's gift is accepted, this intersection could be added to the second phase of construction under the existing contract. With this addition, the Red Light Photo Enforcement Program would consist of fourteen (14) cameras rotated among fifty-three (53) intersection approaches at twenty-seven (27) intersections total.

Our current contract with PRWT has provisions for adding new locations; it also includes detailed costs for additional equipment. The cost to include this intersection under the expansion contract will be approximately $97,020 (depending on the number of enforceable lanes). The cost to maintain this equipment will fall under the provisions of the contract, unless an unforeseen event damages the equipment.

Gift from the California Department of Transportation

The California Department of Transportation (Caltrans) plans to install automated enforcement equipment, compatible with our current system, which includes eleven (11) cameras, at five (5) intersections within Caltrans' jurisdiction. This project is currently under design at the following locations:

- Marina Boulevard/Lyon Street
- Park Presidio Avenue/Lake Street
- Park Presidio Avenue/Geary Boulevard
- Park Presidio Avenue/Fulton Street
- Richardson Avenue/Francisco Street

After installation, Caltrans plans to transfer this equipment to the City and County of San Francisco. On December 1, 1999, we received a signed transfer agreement to this effect, which will soon be brought to the Parking and Traffic Commission and Board of Supervisors. DPT's current expansion contract provides for PRWT to operate this equipment as part of San Francisco's program. With the inclusion of the Caltrans equipment, a total of twenty-five (25) cameras will be rotated among sixty-four (64) intersection approaches at thirty-two (32) intersections.

Gift from the Moscone Convention Center Expansion Project

In response to safety concerns from their neighbors, the Moscone Convention Center Expansion Project committed to fund a second automated enforcement system consisting of two (2) cameras rotated among eight (8) intersection approaches at the following four (4) intersections:

- 3rd Street/Folsom Street
- 4th Street/Folsom Street
- 3rd Street/Howard Street
- 4th Street/Howard Street

DPT plans to create a separate automated enforcement system at these locations testing new camera technology – either digital or video-based. The Federal Highway Administration (FHWA) recently funded a test of digital technology in Maryland. Early reports are very favorable but the final report has not yet been released. Staff is currently working on a request for proposals, and will not move forward with it until after the distribution of the FHWA report.

Item 3 - File 99-2140

Department:	Department of Public Health (DPH)
Item:	Resolution authorizing the Department of Public Health, Laguna Honda Hospital, to accept a gift of one passenger bus donated by Laguna Honda Hospital Volunteers, Inc.
Gift Amount:	Estimated value of $125,106 as determined by the bill of sale to the Laguna Honda Hospital Volunteers, Inc.
Source of Gift:	Laguna Honda Hospital Volunteers, Inc., a volunteer fundraising organization.
Description:	The proposed resolution would authorize DPH to accept a new passenger bus donated by the Laguna Honda Hospital Volunteers, Inc. for the general benefit of all patients at Laguna Honda Hospital. The bus, which accommodates 21 passengers, is a custom-built Bluebird CSRE 2000. The bus is wheelchair accessible, and has safety equipment in accordance with City regulations, according to Ms. Anne Okubo of the DPH.
Comment:	The Attachment, provided by Ms. Okubo, explains that (a) the new bus would be used for outings for the residents of Laguna Honda Hospital, (b) the new bus would replace an existing bus that was retired from service, and (c) the operating and maintenance costs of the new bus would be funded from the previously appropriated budget for the operating and maintenance costs of the bus being replaced.
Recommendation:	Approve the proposed resolution.

City and County of San Francisco

Department of Public Health

MEMORANDUM

Date: November 29, 1999

To: Harvey Rose
Budget Analyst

From: Anne Okubo
Budget Manager

Subject: Gift to Laguna Honda Hospital – Passenger Bus

This memo is in response to your request for information explaining the source of funding for the operation and maintenance of the passenger bus given to Laguna Honda Hospital.

The source of funding for the operation and maintenance of this new bus is the hospital operating budget. The new passenger bus donated to Laguna Honda Hospital by LHH Volunteers, Inc. will replace an existing bus operated by the hospital that was retired from service. The operating costs and maintenance for the retired bus is included in the operating budget for the hospital.

This new passenger bus accommodates 21 residents (10 seated and 11 wheelchairs) and will be used for outings for the residents.

Item 5 – File 99-1879

Item: Ordinance amending Part I of the Municipal Code by adding Chapter 88, Sections 88.1 through 88.11, to require an annual departmental Efficiency Plan, including a customer service element, a strategic planning element, an annual performance element, and a program performance element; and providing for a pilot program and training.

Description: Currently Charter Section 16.120 provides that each Department shall adopt an annual Customer Service Plan, in a format to be determined by the Board of Supervisors by ordinance. The proposed ordinance would implement Charter Section 16.120 by amending the Municipal Code for purposes of requiring that each department adopt an annual Efficiency Plan (another name for the Customer Service Plan) and to specify the content and execution of such Efficiency Plans.

According to the proposed ordinance, beginning on February 1, 2003 and each year thereafter, the head of each department shall prepare and submit to the Mayor and the Board of Supervisors an Efficiency Plan covering a period of not less than three years forward from the fiscal year in which it is submitted. The ordinance states that each plan shall include the following four elements which are described in detail in the proposed ordinance: (1) customer service, (2) strategic planning, (3) annual performance, and (4) program performance for the prior year. In developing an Efficiency Plan, departments would be required to solicit and consider the views and suggestions of those persons and entities potentially affected by or interested in the plan through town meetings, open houses held by departments, or other public forums.

The proposed ordinance would establish two pilot projects to take place prior to the City-wide implementation which would occur on February 1, 2003. The first pilot project would require the Director of the Mayor's Budget Office to designate six or more departments to participate in a pilot project in performance measurement for FY 2000-01 and FY 2001-02. No later than September 2, 2000, the Mayor's

Budget Office would be required to submit a report on the pilot project to the Mayor and the Board of Supervisors. The second pilot project requires the Director of the Mayor's Budget Office to designate three or more departments to participate in a pilot project in performance budgeting for FY 2000-01 and FY 2001-02. The Mayor's Budget Office would then be required to submit a report on the pilot project to the Mayor and the Board of Supervisors no later than September 2, 2001.

Finally, the proposed ordinance requires the Civil Service Commission to develop a strategic planning and performance measurement training component for its management training program and otherwise provide managers with an orientation on the development and use of strategic planning and program performance measurement.

Fiscal Impact:

The development and reporting of Efficiency Plans, as required under the proposed ordinance, would necessitate some departmental staff time which would vary by department. However, unless additional appropriations are requested, departments would use existing staff resources to comply with the proposed ordinance. Additionally, the proposed ordinance mandates a new management training program component. According to Ms. Michele Modena of the Department of Human Resources, an estimate of the additional annual cost of such a training program is not available as of the writing of this report. However, Ms. Modena advises that such an estimate will be provided to the Audit and Government Efficiency Committee at its December 7, 1999 meeting.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 6 – File 99-2043

Department: Department of Public Health (DPH)

Item: Ordinance amending Chapters 15 (Mental Health), 16 (Officers and Employees) and 19A (Public Health) of Part 1 of the San Francisco Municipal Code (Administrative Code), by adding new Sections 15.1 (Definitions) and 15.19 (Alcoholism Advisory Board), adding a new Section 15.100 (Training Programs), repealing, renumbering and amending various other Sections to consolidate the Chapters and eliminate out-dated and obsolete provisions, and creating a new Article II (Public Health Contracts).

Description: The proposed ordinance would amend the City's Administrative Code relating to Mental Health and Public Health provisions. Specifically, the proposed ordinance would add (1) definitions for the terms "Department", and "Director of Health", (2) provisions for the existing City-wide Alcoholism Advisory Board, (3) new consolidated provisions for Training Programs, (4) authorization for grant acceptance and expenditure without subsequent approval by the Board of Supervisors and (5) provisions for the existing Volunteer Auxiliary for Laguna Honda Hospital.

The proposed ordinance would also delete (1) the provisions for the Forensic Advisory Council, which no longer exists, (2) the Task Force on Self-Esteem, which terminated with the specified sunset clause on March 15, 1990, (3) the requirement that the Director of Public Health file written reports with the Board of Supervisors, which is more fully explained in Comment No. 1 below and (4) all of the Sections from Chapter 19A, because these provisions were deemed unnecessary by the City Attorney given the Administrative Code provisions previously approved by the Board of Supervisors, to no longer require that the Board of Supervisors approve each contract containing indemnification provisions and the consolidation of the training provisions into one new Training Section. In

addition, the proposed ordinance would change various Section numbers, revise outdated and obsolete language, including State mandates, and clarify existing provisions.

Comments:

1. As discussed above, the proposed ordinance would delete the requirement that the Director of Public Health file a written report with the Board of Supervisors in May and November of each year, beginning with May of 1997, specifying the cost savings realized by the City in the six months immediately prior to each report resulting from the City's membership in the University HealthSystems Consortium (UHC). Ms. Monique Zmuda of DPH advises that this requirement is no longer necessary because DPH has consistently achieved cost savings since entering into these contracts with the UHC. As shown in the Attached memorandum dated May 11, 1999, provided by DPH, for the eight-month period from May of 1997 through December 31, 1997, DPH achieved savings of $1,059,745 and in Calendar Year 1998 the Department achieved savings of $1,477,297. Ms. Zmuda estimates that the Department will achieve approximately another $1.5 million in Calendar Year 1999 as compared to what otherwise would have been expended, as a result of entering into these contracts.

2. Regarding the new provisions contained in the proposed ordinance, Ms. Ann Alpers of the City Attorney's Office advises that the City-wide Alcoholism Advisory Board is an existing Board. Ms. Alpers notes that the City-wide Alcoholism Advisory Board currently shares staff with the City-wide Drug Advisory Board and that the proposed provisions would simply codify existing practices of the City-wide Alcoholism Advisory Board. The Budget Analyst notes that there would not be any fiscal impact from these proposed provisions.

3. The newly consolidated Training Programs, under the proposed ordinance, would authorize the Director of Health, subject to the approval of the

Health Commission, to enter into agreements with authorized representatives of any educational institution having accredited programs of instruction for medical workers in the allied health professions. Such agreements would provide that the Department place only that number of students from such educational institutions (e.g., dentists, nurses, podiatrists, etc.) at each DPH facility, for any period of time, who can be trained without interference with the normal functioning of each DPH facility, and that the Department will not be responsible for travel or other expenses of the students or their instructors by reason of this relationship. Ms. Anne Kronenberg of DPH reports that this consolidated Training Section would replace those provisions currently included in separate sections under Chapter 19A of the ordinance, but does not change any authority or responsibilities currently provided.

4. Under the proposed ordinance, the Director of Public Health, subject to approval of the Health Commission, would be authorized to accept and expend grants or aid from the Federal or State government or from private funders, without subsequent approval of the Board of Supervisors and to enter into related contracts with such entities, provided that such agreements do not obligate the City and County to expend any local funds, which were not previously authorized by the Board of Supervisors. This proposed authorization provision would be instead of the existing grant acceptance and expenditure provisions that are currently contained in Administrative Code, Chapter 10, Section 10.170-1, which state that the acceptance and expenditure of Federal, State or other grant funds is subject to the approval by resolution of the Board of Supervisors. Therefore, under the proposed ordinance, the Board of Supervisors would no longer be required to authorize the Department of Public Health to accept or expend any grant funds, as is the current procedure.

Ms. Zmuda reports that this change is being proposed by the Health Department due to (1) the large number of grants that the Department receives, (2) the added administrative time and related expense to receive approval from the Board of Supervisors and (3) the Health Commission's continued responsibility as oversight body for public noticing of hearings on these grants and for receiving public input. Based on Summary Grant Reports provided to the Budget Analyst, in FY 1998-99, the DPH received approximately 85 separate grants from Federal, State and private funders, for which approval was received from the Board of Supervisors, and for FY 1999-2000, the Board of Supervisors recently approved a resolution (File 99-1911) for 36 recurring grants, which were included in the FY 1999-2000 budget. The Budget Analyst also notes that, although there would not be fiscal impacts from the proposed change, if the proposed change is approved, the Department of Public Health would be the only City department that is not required to seek approval from the Board of Supervisors for grant acceptance and expenditures.

5. Currently, the Administrative Code contains provisions for a Volunteer Auxiliary for San Francisco General Hospital. Under the proposed ordinance, such provisions would be amended and new provisions would be added for a similar Volunteer Auxiliary for Laguna Honda Hospital. Under the proposed provisions, the Director of Health, with the approval of the Health Commission, could authorize the use of rent-free space at San Francisco General Hospital and Laguna Honda Hospital by the respective Volunteer Auxiliaries for administrative offices and the operation of gift shops, snack shops and other concessions. Under the proposed ordinance, provisions would also be added for an independent audit to be conducted each year of the Auxiliaries, with copies provided to the Director of Health and the Health Commission. Under the existing provisions of the Administrative Code, the net proceeds from the operation and sales from such

shops and concessions could only be used for the benefit of patients. Under the proposed ordinance, the net proceeds from the operation and sales from such shops and concessions could be used not only for benefiting patients, but also for benefiting staff and visitors to the respective Hospitals.

According to Ms. Zmuda, the Volunteer Auxiliaries at the Hospitals are separate non-profit organizations and that DPH does not have a current accounting of the total amount of revenues generated by these organizations. However, Ms. Kronenberg advises that both organizations currently exist and receive rent-free space from the Hospitals, such that the proposed inclusion of the Laguna Honda Volunteer Auxiliary would simply codify an existing practice. In terms of the type of proceeds that would be received by the Hospitals from these Volunteer Auxiliaries, Ms. Kronenberg also notes that Item 3, File 99-2140 of this Audit and Government Efficiency Committee calendar includes a resolution for Laguna Honda Hospital to accept and use a gift of a passenger bus donated by the Laguna Honda Hospital Volunteers, Inc. In addition, Ms. Zmuda advises that under the proposed ordinance, each Volunteer Auxiliary would be required to provide an annual audit to the DPH and Health Commission, which would provide for a better accounting of their operations.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
President Ammiano
Supervisor Becerril
Supervisor Bierman
Supervisor Brown
Supervisor Leno
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey

City and County of San Francisco

Department of Public Health

Mitchell H. Katz, M.D.
Director of Health

Post-it® Fax Note 7671	Date 12/2	# of pages ▸ 3
To Debra Newman	From Anne Kronenberg	
Co./Dept.	Co.	
Phone #	Phone # 554-2552	
Fax # 252-0411	Fax # 554-2552	

TO: Edwin Lee
Director of Purchasing

THROUGH: Monique Zmuda
Chief Financial Officer
Department of Public Health

THROUGH: Ken Jensen
Chief Financial Officer
Community Health Network

FROM: Marijane Pierson
Materials Manager
San Francisco General Hospital

RE: Actual Savings Attained through Accessing Group Purchasing Contracts and Prime Vendors: University HealthSystems Consortium Contracts/Novation; Allegiance Healthcare

DATE: May 11, 1999

The following report is a summary of the actual cost savings realized by the Department of Public Health accessing University HealthSystems Consortium (UHC) contracts in 1997, and UHC/Novation contracts in 1998. Allegiance Healthcare, one of the Department of Public Health prime vendors, access began in 1997.

The Department of Public Health was granted authority to access the UHC contracts through two Ordinances. The first Ordinance granted authority for the Department to become a member of the UHC. The second Ordinance granted purchasing authority for accessing UHC contracts. A condition of the second Ordinance was that the Department report annually the actual savings accomplished. The savings were achieved for actual purchases made throughout the Department of Public Health, i.e., at Laguna Honda Hospital, San Francisco General Hospital, the Jails (Forensics), the Health Centers, and at Community Mental Health Services. The prime vendor contract awarded to Allegiance Healthcare, is a Purchasing Department City Contract Number 60401.

Following is a summary of savings for the calendar year January 1, 1998 to December 31, 1998, and for the eight-month period beginning in May of 1997 and ending December 31, 1997.

(415) 554-2600 101 Grove Street San Francisco, CA 94102

Summary: Savings Calendar Year 1998

Pharmaceutical Savings	$834,690.00
Materials Savings	$570,403.00
Dietary Savings	$ 72,204.00
Total	$1,477,297.00

Summary: Savings May 1997 to December 31, 1997

Pharmaceutical Savings	$446,041.00
Materials Savings	$480,063.00
Dietary Savings	$ 77,891.00
Radiology Savings	$ 55,750.00
Total	$1,059,745.00

Pharmaceutical Savings. Most of the pharmaceuticals purchased by the various DPH pharmacies at Laguna Honda Hospital, the Jails, San Francisco General Hospital (for the Hospital and for the Health Centers) and at the CMHS are made through a pharmacy wholesaler. A significant factor in the UHC Pharmacy contracts was the decreased distribution fee paid by all of these specific sites within the Department of Public Health for all of the pharmaceutical purchases made through our wholesaler. Prior to the UHC contract, the Department paid a distribution fee of "cost plus 1.1%". The UHC contract called for this distribution fee to be "cost minus 1.82%". Thus, savings were achieved in both 1997 and 1998 by calculating the difference in distribution fee, i.e., 2.92%, times the combined actual purchases at all of the DPH sites.

In 1998, the drug wholesaler, McKesson HBOC, offered a program called Supply Net. Supply Net offered new opportunities for savings by streamlining the drug purchase analysis process. $94,000 was saved through basic contract compliance, and $154,000 more from substituting trade pharmaceuticals through generics.

Materials, Radiology (1997), and Dietary Products/Supplies savings. All of the specific sites within the Department of Public Health (Laguna Honda Hospital, San Francisco General Hospital, the Mental Health Rehabilitation Center, the Health Centers and clinics, and the Jails) are eligible for UHC/Novation buying group contracts and for the Allegiance prime vendor contract. These contracts offer hundreds of various types of supply types, but this report centers on medical-surgical supplies/products; radiology supplies/products (1997 only), and for dietary supplies/products. All of the contracts produced savings.

The savings achieved in the areas of Materials Management, Radiology and Food Services were calculated on individual supply/ or product line items as opposed to the overall purchases as in the pharmacy savings program described above. A comparison was made of over a thousand

individual line items using the cost of each item pre-UHC/Novation and the prime vendor. Actual yearly utilization of each product was accessed, and this usage figured against each individual line item savings. The 1998 savings figure also incorporates a 4% cost-of-living increase based on medical surgical price increases that have occurred within the last years.

Comments

UHC/Novation represents the industry's foremost supply chain management organization, with more than $12 billion in actual annual purchasing volume. Allegiance Healthcare has a $15 billion annual purchasing volume. This results in an unparalleled buying power that greatly benefits members such as the Department of Public Health. This buying power results in:

* utilization of economies of scale
* maintenance of contract portfolios that utilize national strength
* allow contracting processs that have high integrity, meet public bid requirements, and involve members to the greatest degree possible and practical
* ability to award agreements that deliver the best value through market price
* ability to obtain value beyond price through well-defined standardization
* supply chain efficiencies and added value because of a strong influence in all supply distribution channels

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City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Victor Young

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Tuesday, December 07, 1999 **1:00 PM** **City Hall, Room 263**

Regular Meeting

Members Present: Barbara Kaufman, Gavin Newsom.

Members Absent: Leslie Katz.

Meeting Convened

The meeting convened at 1:06 P.M.

991709 **[Reimbursement to Employees consisting of one claim in the amount of $1,215.33]**

Resolution authorizing reimbursement for cost of personal property of City and County employees damaged/stolen in the line of duty. (Controller)

9/7/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. 9/7/99 - From Emergency Communications Department, Alan Tse, damaged Audi car. ($1,345 repair estimate less $250 State Farm Insurance deductible).

10/4/99 - From Emergency Communications Department, final repair costs from Ideal Auto Rebuilders, correcting claim for damages in the amount of $1,215.33 payable to Alan Tse.

12/1/99, SUBSTITUTED. Substitute resolution received from Controller, 12/1/99.

12/1/99, ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Joe Matrango, Controller's Office.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

991834 **[Gift Acceptance, Chronicle Publishing Company, to fund red light camera]**

Mayor

Resolution authorizing the acceptance of a gift of one hundred thousand dollars ($100,000) from the Chronicle Publishing Company to fund a red light camera at the intersection of 5th and Mission Streets.

9/27/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

11/2/99, CONTINUED TO CALL OF THE CHAIR.

Heard in Committee. Speaker: Teddy Grey, Dept. Parking and Traffic.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

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992140 **[Accepting a gift of a passenger bus for Laguna Honda Hospital]**

Resolution authorizing the Department of Public Health, Laguna Honda Hospital to accept and use a gift of equipment, a passenger bus, donated by Laguna Honda Hospital Volunteers, Inc. (Department of Public Health)

11/17/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Ms. Debouy, Public Health.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

991517 **[Public Administrator/Public Guardian's Office Performance Audit]**

Supervisor Kaufman

Hearing to consider the results of the investigative and performance audit of the Public Administrator/Public Guardian's Office.

8/2/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. The Chair requests this item be calendared for the September meeting.

9/16/99, CONTINUED. Heard in Committee. Speakers: Ed Harrington, Controller; Ricardo Hernandez, Mental Health Coordinator; Amilla Suno, Health Department. Continued to December 7, 1999.

Heard in Committee. Speakers: Ed Harrington, Controller; Jimmy Lourse; Mr. Hand. Continued to February 1, 2000.

CONTINUED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

991879 **[Performance and Review Ordinance]**

Supervisor Newsom

Ordinance amending Administrative Code by adding Chapter 88, Sections 88.1 through 88.11, to require an annual departmental efficiency plan, including a customer service element, a strategic planning element, an annual performance element, and a program performance element, and providing for a pilot program and training.

(Adds Chapter 88, Sections 88.1 through 88.11.)

10/4/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/3/1999.

Heard in Committee. Speakers: Mark Prevok, Public Works; Ed Lee, Director of Purchasing; Gloria L. Young, Clerk of the Board; Jay McHill, Treasurer; Mathew Hunal; Michele Modena, Deputy Director Administrative Services Divison, Human Resources; Naiomi Yikiyoshi, Dept. of Elections; Alex McKenzie, Employee Assistance Program. To be schedule before the Board of Supervisors on December 20, 1999.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

992043 **[Administrative Code Revision, Chapters 15, 16 and 19A]**

Supervisor Kaufman

Ordinance amending Administrative Code, Chapters 15 (Mental Health) and 19A (Public Health) by adding new Sections 15.1 (Definitions) and 15.19 (Alcoholism Advisory Board); repealing Sections 15.6, 15.8, 15.11, 15.12, 15.12-1, 15.12-2, 15.12-3, 15.12-4, 15.12-5 and 15.12-6; renumbering Sections 15.1, 15.3, 15.4, 15.4-1 and 15.5 as Sections 15.10, 15.12, 15.13, 15.14 and 15.15, respectively and renumbering Sections 15.2, 15.7-1, 15.9 and 19A.14 as Sections 15.11, 15.16, 15.17 and 15.18, respectively and amending the same, to consolidate the chapters and to eliminate out-dated and obsolete provisions; by adding a new Section 15.100 and renumbering Sections 19A.5, 19A.18, 19A.22, 19A.19 and 19A.31 as Sections 15.101, 15.102, 15.103, 15.104 and 15.105, respectively; to create a new Article II ("Public Health Contracts") to Chapter 15; and by repealing Sections 19A.1, 19A.2, 19A.3, 19A.4, 19A.6, 19A.7, 19A.8, 19A.9, 19A.10, 19A.12, 19A.13, 19A.15, 19A.17, 19A.20, 19A.21, 19A.23, 19A.25, 19A.26, 19A.31, 19A.32, 19A.33, 19A.34, 19A.35, 19A.37, 19A.38, 19A.39 and 19A.40 to eliminate out-dated and obsolete provisions relating to contract approvals.

(Adds new Sections 15.1 and 15.19; repeals Sections 15.6, 15.8, 15.11, 15.12, 15.12-1, 15.12-2, 15.12-3, 15.12-4, 15-5 and 15.12-6; renumbers Sections 15.1, 15.3, 15.4, 15.4-1 and 15.5 as Sections 15.10, 15.12, 15.13, 15.14 and 15.12-5; renumbers Sections 15.2, 15.7-1, 15.9 and 19A.14 as Sections 15.11, 15.16, 15.17 and 15.18; adds a new Section 15.100; renumbers Sections 19A.5, 19A.18, 19A.22, 19A.19 and 19A.31 as Sections 15.101, 15.102, 15.103, 15.104 and 15.105; to create a new Article II ("Public Health Contracts") to Chapter 15; repeals Sections 19A.1, 19A.2, 19A.3, 19A.4, 19A.6, 19A.7, 19A.8, 19A.9, 19A.10, 19A.12, 19A.13, 19A.15, 19A.17, 19A.20, 19A.21, 19A.23, 19A.25, 19A.26, 19A.31, 19A.32, 19A.33, 19A.34, 19A.35, 19A.37, 19A.38, 19A.39 and 19A.40.)

11/1/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/2/1999.

11/22/99, SUBSTITUTED Submitted by Supervisor Kaufman in Board.

11/22/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/2/1999.

Heard in Committee. Speaker: Ann Cronier.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Administrative Code, Chapters 15 (Mental Health); 16 (Officers and Employees) and 19A (Public Health) by adding new Sections 15.1 (Definitions) and 15.19 (Alcoholism Advisory Board); repealing Sections 15.6, 15.8, 15.11, 15.12, 15.12-1, 15.12-2, 15.12-3, 15.12-4, 15.12-5, 15.12-6 and 16.803; renumbering Sections 15.1, 15.3, 15.4, 15.4-1, 15.5, 16.800, 16.801, and 16.802 as Sections 15.10, 15.12, 15.13, 15.14,15.15, 15.20, 15.21, and 15.22 respectively and renumbering Sections 15.2, 15.7-1, 15.9 and 19A.14 as Sections 15.11, 15.16, 15.17 and 15.18, respectively and amending the same, to consolidate the chapters and to eliminate out-dated and obsolete provisions; by adding a new Section 15.100 and renumbering Sections 19A.18, 19A.22, 19A.19 and 19A.36 as Sections 15.101, 15.102, 15.103, and 15.104, respectively; to create a new Article II ("Public Health Contracts") to Chapter 15; and by repealing Sections 19A.1, 19A.2, 19A.3, 19A.4, 19A.6, 19A.7, 19A.8, 19A.9, 19A.10, 19A.12, 19A.13, 19A.15, 19A.17, 19A.20, 19A.21, 19A.23, 19A.25, 19A.26, 19A.31, 19A.32, 19A.33, 19A.34, 19A.35, 19A.37, 19A.38, 19A.39 and 19A.40 to eliminate out-dated and obsolete provisions relating to contract approvals.

(Adds new Sections 15.1 and 15.19; repeals Sections 15.6, 15.8, 15.11, 15.12, 15.12-1, 15.12-2, 15.12-3, 15.12-4, 15-5, 15.12-6 and 16.803; renumbers Sections 15.1, 15.3, 15.4, 15.4-1, 15.5, 16.800, 16.801, and 16.802 as Sections 15.10, 15.12, 15.13, 15.14, 15.15, 15.20, 15.21, and 15.22; renumbers Sections 15.2, 15.7-1, 15.9 and 19A.14 as Sections 15.11, 15.16, 15.17 and 15.18; adds a new Section 15.100; renumbers Sections 19A.5, 19A.18, 19A.22, 19A.19 and 19A.36 as Sections 15.101, 15.102, 15.103, 15.104 and 15.105; to create a new Article II ("Public Health Contracts") to Chapter 15; repeals Sections 19A.1, 19A.2, 19A.3, 19A.4, 19A.6, 19A.7, 19A.8, 19A.9, 19A.10, 19A.12, 19A.13, 19A.15, 19A.17, 19A.20, 19A.21, 19A.23, 19A.25, 19A.26, 19A.31, 19A.32, 19A.33, 19A.34, 19A.35, 19A.37, 19A.38, 19A.39 and 19A.40.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

992044 **[Administrative Code Revision, Chapter 17]**

Supervisor Kaufman

Ordinance amending Administrative Code Section 17.1 to correct a statutory reference and amending Section 17.14 regarding trial and special event rates for the use of parking facilities under the jurisdiction of the Parking and Traffic Commission.

(Amends Sections 17.1 and 17.14.)

11/1/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/2/1999.

Heard in Committee. Speaker: None

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

992045 **[Administrative Code Revision, Chapter 20]**

Supervisor Kaufman

Ordinance amending Administrative Code Sections 20.1 and 20.8 to correct references to the Department of Human Services and repealing Sections 20.1-1, 20-8-1, 20.8-2, 20.9, 20.10, 20.11, 20.20, 20.21, 20.22, 20.23, 20.24, 20.25, 20.25-2, 20.26, 20.27, 20.28, 20.30, 20.33, 20.34, 20.35, 20.36, 20.37, 20.38, 20.38-1, 20.39, 20.40, 20.40-1, 20.42, 20.43, 20.44, 20.45, 20.46, 20.47 and 20.53, regarding the Department of Human Services, to eliminate out-dated and obsolete provisions.

(Amends Sections 20.1 and 20.8; repeals Sections 20.1-1, 20-8-1, 20.8-2, 20.9, 20.10, 20.11, 20.20, 20.21, 20.22, 20.23, 20.24, 20.25, 20.25-2, 20.26, 20.27, 20.28, 20.30, 20.33, 20.34, 20.35, 20.36, 20.37, 20.38, 20.38-1, 20.39, 20.40, 20.40-1, 20.42, 20.43, 20.44, 20.45, 20.46, 20.47 and 20.53.)

11/1/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/2/1999.

Heard in Committee. Speakers: Winchael Hayward; Julie Branaman, Dept. of Human Services.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

992046 **[Administrative Code Revision, Chapter 58, Conflict of Interest Code]**

Supervisor Kaufman

Ordinance amending Administrative Code Sections 58.1, 58.2, 58.7, 58.8, 58.9, 58.105, 58.110, 58.115, 58.120, 58.145, 58.150, 58.155, 58.168, 58.170, 58.175, 58.177, 58.180, 58.185, 58.190, 58.195, 58.198, 58.200, 58.201, 58.202, 58.205, 58.220, 58.225, 58.267, 58.272, 58.275, 58.310, 58.315, 58.320, 58.323, 58.340, 58.357, 58.375, 58.380, 58.382, 58.383, 58.385, 58.390, 58.405, 58.500 and adding new Sections 58.145, 58.385 and 58.400 to add the Children and Families First Commission, the Taxi Commission, the Treasure Island Development Authority and the Citizens Advisory Committee to the Redevelopment Agency and to reorganize sections in alphabetical order and made other nonsubstantive technical changes.

(Amends Sections 58.1, 58.2, 58.7, 58.8, 58.9, 58.105, 58.110, 58.115, 58.120, 58.145, 58.150, 58.155, 58.168, 58.170, 58.175, 58.177, 58.180, 58.185, 58.190, 58.195, 58.198, 58.200, 58.201, 58.202, 58.205, 58.220, 58.225, 58.267, 58.272, 58.275, 58.310, 58.315, 58.320, 58.323, 58.340, 58.357, 58.375, 58.380, 58.382, 58.383, 58.385, 58.390, 58.405, 58.500; adds new Sections 58.145, 58.385 and 58.400.)

11/1/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: None

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Administrative Code Sections 58.1, 58.2, 58.7, 58.8, 58.9, 58.105, 58.110, 58.115, 58.120, 58.145, 58.150, 58.155, 58.170, 58.175, 58.180, 58.185, 58.190, 8.200, 58.201, 58.202, 58.205, 58.220, 58.225, 58.275, 58.315, 58.320, 58.375, 58.380, 58.385, 58.390, 58.405, deleting sections 58.9, 58.168, 58.177, 58.195, 58.198, 58.267, 58.272, 58.310, 58.232, 58.340, 58.357, 58.382, 58.383, 58.405, and 58.500, and adding new Sections 58.100, 58.140, 58.160, 58.203, 58.204, 58.206,58.216, 58.242, 58.257, 58.295, 58.355, 58.395, 58.400, 58.410, 58.415, 58.420 to reorganize and renumber sections in alphabetical order and make other nonsubstantive technical changes; to reflect organizational changes for the Transportation Authority; and to add the Children and Families First Commission, the Taxi Commission, the Treasure Island Development Authority and the Citizens Advisory Committee to the Redevelopment Agency.

(Amends Sections 58.1, 58.2, 58.7, 58.8, 58.9, 58.105, 58.110, 58.115, 58.120, 58.145, 58.150, 58.155, 58.168, 58.170, 58.175, 58.177, 58.180, 58.185, 58.190, 58.195, 58.198, 58.200, 58.201, 58.202, 58.205, 58.220, 58.225, 58.267, 58.272, 58.275, 58.310, 58.315, 58.320, 58.323, 58.340, 58.357, 58.375, 58.380, 58.382, 58.383, 58.385, 58.390, 58.405, 58.500; adds new Sections 58.145, 58.385 and 58.400.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

992113 **[Approving an agreement that authorizes the suspension (or tolling) of the statute of limitations on a lawsuit by the Patterson Environmental Response Trust against the City]**

Resolution approving the City Attorney's entry into a tolling agreement governing suit by Patterson Environmental Response Trust. (City Attorney)

11/16/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. A confidential cover letter dated November 2, 1999 is on file with the Clerk of the Board.

Heard in Committee. Speaker: Ted Lakey, City Attorney. Page 1 Line 15 after the words "of which is" delete the words "attached as Exhibit A," and on Page 1 Line 15 after the words "of which is" insert the words "on file with the Clerk of the Board of Supervisors in File No. 992113 and which is hereby declared to be a part of this resolution as if set forth fully herein,".

AMENDED.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

LITIGATION

This Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

991951 **[Settlement of Lawsuit, Ideal Paint Co., Inc. vs. CCSF, and Consolidated Actions]**

Ordinance authorizing the settlement of the litigation between the City and County of San Francisco ("City") and John Shimmick Construction, Inc./Obayashi, Joint Venture, and Foundation Constructors, Inc. (collectively referred to as "Shimmick") in the lawsuits consolidated under Ideal Paint Co., Inc. vs. City and County of San Francisco, and Consolidated Actions. (City Attorney)

(S.F. Superior Court No. 967-708.)

10/14/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

RECOMMENDED...

991995 **[Settlement of Claim, SOMA Partners]**

Resolution approving the settlement of the unlitigated claim of SOMA Partners by payment of $33,797. (City Attorney)

(Claim Number 99-03960.)

10/21/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

RECOMMENDED...

992106 **[Settlement of Claim, Marc Libarle]**

Resolution approving the settlement of unlitigated claim of Marc Libarle by payment of $80,000.00 (City Attorney)

(Unlitigated Claim No. 98-01832.)

11/10/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. A confidential cover letter dated August 30, 1999 is on file with the Clerk of the Board.

RECOMMENDED...

992107 **[Settlement of Lawsuit, Darcel Grace]**

Ordinance authorizing settlement of litigation of Darcel Grace against the City and County of San Francisco by payment of $131,050.00. (City Attorney)

(U.S. District Court No. C98-3090 CRB.)

11/10/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. A confidential cover letter dated October 18, 1999 is on file with the Clerk of the Board.

RECOMMENDED...

992108 **[Settlement of Lawsuit, Sharon Norris]**

Ordinance authorizing settlement of litigation of Sharon Norris against the City and County of San Francisco by payment of $50,000. (City Attorney)

(S.F. Superior Court No. 975-399.)

11/10/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. A confidential cover letter dated November 4, 1999 is on file with the Clerk of the Board.

RECOMMENDED...

992109 **[Settlement of Lawsuit, Iokhvetta Altman, Vita Burmenko and Marianna Burmenko]**

Ordinance authorizing settlement of litigation of Iokhvetta Altman, Vita Burmenko and Marianna Burmenko against the City and County of San Francisco by payment of $210,000. (City Attorney)

(S.F. Superior Court No. 990-594.)

11/10/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. A confidential cover letter dated October 15, 1999 is on file with the Clerk of the Board.

RECOMMENDED...

992137 **[Settlement of Lawsuit, Ran Erez]**

Ordinance authorizing settlement of litigation of Ran Erez against the City and County of San Francisco by the receipt of $102,081.45. (City Attorney)

(S.F. Superior Court No. 304-955.)

11/17/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. A confidential cover letter dated October 8, 1999 is on file with the Clerk of the Board.

RECOMMENDED...

992138 **[Settlement of Lawsuit, Bobby Lee Addison]**

Ordinance authorizing settlement of litigation of Bobby Lee Addison against the City and County of San Francisco by payment of $47,500.00 (City Attorney)

(S.F. Superior Court No. 998-450.)

11/17/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. A confidential cover letter dated September 13, 1999 is on file with the Clerk of the Board.

RECOMMENDED...

992139 **[Settlement of Claim, Veronica Cooke]**

Resolution approving the settlement of the unlitigated claim of Veronica Cooke by payment of $37,000. (City Attorney)

(Claim No. 99-03490.)

11/17/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. A confidential cover letter dated October 26, 1999 is on file with the Clerk of the Board.

RECOMMENDED...

This Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the above items at this time and may move not to disclose any information at this time.

ADJOURNMENT

The committee adjourned at 2:56 P.M.

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14/2000
Rescheduled to
13/2000

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

NOTICE OF RESCHEDULED MEETING

AUDIT AND GOVERNMENT EFFICIENCY COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the regular meeting of the Audit and Government Efficiency Committee of the San Francisco Board of Supervisors scheduled for Tuesday, Jaunary 4, 2000, at 1 p.m., has been rescheduled to **Thursday, January 13, 2000**, at **1 p.m.**, at 1 Dr. Carlton B. Goodlett Place, Room 400, City Hall, San Francisco, California.

Gloria L. Young
Clerk of the Board

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POSTED: December 29, 1999

AUDIT AND GOVERNMENT EFFICIENCY COMMITTEE
S.F. BOARD OF SUPERVISORS
CITY HALL, ROOM 244
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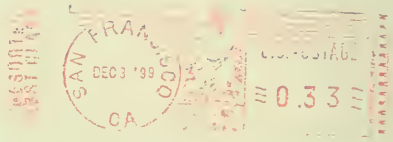
SAN FRANCISCO, CA 94102-4689



IMPORTANT HEARING NOTICE!!!

Bill Lynch
Govt Information Ctr
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100 Larkin Street

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Attn: *Susan Hom*

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CITY AND COUNTY OF SAN FRANCISCO

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

January 10, 2000

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: January 13, 2000 Rescheduled Audit and Government Efficiency Committee Meeting

Item 1 – File 99-1809

Department:	Department of Public Health (DPH)
Item:	Resolution authorizing the acceptance and expenditure of two cash gifts bequeathed to San Francisco General Hospital of: (1) approximately $200,000 from the estate of LeMar Hoaglin and (2) approximately $25,000 from the estate of Beatrice Druhe.
Gift Amount and Source of Gift:	Estate of LeMar Hoaglin $200,000 Estate of Beatrice Druhe $25,000
Description:	The proposed resolution would authorize the Department of Public Health to accept and expend: (1) a gift of approximately $200,000 from the estate of Mr. LeMar Hoaglin to be used exclusively for AIDS research at San Francisco General Hospital and (2) a gift of approximately $25,000 from the estate of Ms. Beatrice Druhe to be used for the general benefit of all patients at San Francisco General Hospital.
Recommendation:	Approve the proposed resolution.

Item 2 – File 99-1947

Department:	City Attorney
Item:	Resolution authorizing the acceptance of a gift of law books with an estimated value of $7,608 from the former law offices of Bronson, Bronson & McKinnon for the law library in the City Attorney's Office.
Gift Amount:	Estimated value of $7,608
Source of Gift:	Former Law Offices of Bronson, Bronson & McKinnon
Description:	Approval of the proposed resolution would authorize the City Attorney's Office to accept a gift of law books from the former law offices of Bronson, Bronson & McKinnon which has dissolved its business of providing legal services. According to Ms. Mary Jane Winslow of the City Attorney's Office, the subject books have an estimated value of $7,608 based on the cost to buy the same volumes new. The subject gift consists of 1,080 volumes and a specific listing of the books is shown on the Attachment to this report provided by Ms. Winslow. Ms. Winslow advises that if the subject gift is approved, the City Attorney's Office will incur an additional cost of $500 annually to purchase subscription updates for the books which would be paid out of available funds contained in the City Attorney's operating budget.
Recommendation:	Approve the proposed resolution.

Attachment

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CITY ATTORNEY

LOUISE H. RENNE
City Attorney

MARY JANE WINSLOW
Director of Special Projects
DIRECT DIAL: (415) 554-4712

October 14, 1999

TO: Gloria Young, Clerk of the Board

FROM: Mary Jane Winslow

RE: **Gift Acceptance – Law Books**

This is to submit and request introduction of the attached Resolution authorizing the acceptance of a gift of law books from the defunct Law Office of Bronson, Bronson & McKinnon.

Law books with an estimated value of $7,608 were offered to the City Attorney's Office. A specific listing of these books is as follows:

California Reports, 220 volumes:	$1,195
California Reports, second series, 71 volumes:	995
California Reports, third series, 54 volumes:	1,095
California Reports, fourth series, 18 volumes:	319
California Appellate Reports, 140 volumes:	995
California Appellate Reports, second series, 276 volumes:	1,195
California Appellate Reports, third series, 235 volumes:	1,495
California Appellate Reports, fourth series, 66 volumes:	319

Thank you. Please let me know if you have any questions.

Item 4 – File 00-0039

Item: Motion adopting a proposed schedule of audits to be conducted of programs of City and County Departments by the Controller and the Budget Analyst

Description: Rule 6.17 of the Rules of Order of the Board of Supervisors states that it is the policy of the Board of Supervisors that each program of the City and County and the Redevelopment Agency be the subject of a performance or management audit at least once every eight years. Rule 6.17 further states that it shall be the function of these audits to ensure that City departments and the Redevelopment Agency make prudent and efficient use of City resources and that the departments and Redevelopment Agency effectively perform the functions assigned to them by the Charter and applicable laws.

Rule 6.18 of the Rules of Order of the Board of Supervisors states that priorities to be used in developing the proposed schedule shall include programs that have never undergone a management audit, programs that have gone the longest period of time since their last management audit, and such other criteria as may be approved by the Board of Supervisors.

The proposed motion would adopt the following priority order of performance audits for the Controller's Office:

1. Adult Probation Department
2. Department of Building Inspection
3. City Attorney
4. Public Defender
5. Real Estate Department.

The proposed motion would adopt the following priority order of performance audits for the Budget Analyst:

1. Fire Department
2. Recreation and Park Department
3. Department of Human Services

Comments:

1. The Budget Analyst will issue a performance audit of the San Francisco Zoo on Tuesday, January 11, 2000. Under the Budget Analyst's current audit schedule, the next audit priorities are performance audits of the Assessor's Office and the Redevelopment Agency. However, the Assessor's Office was the subject of a comprehensive audit by the California State Board of Equalization in 1996. The Redevelopment Agency was the subject of a performance audit by the Budget Analyst in 1992.

2. By contrast, the Fire Department was last audited by the Budget Analyst in 1980, and the Recreation and Park Department was last audited by the Budget Analyst in 1981. The Department of Human Services was last audited in 1983, when the Budget Analyst conducted a limited review of the General Assistance program. Because of the length of time that has elapsed since the last performance audits of these major departments, the proposed motion proposes the Fire Department, the Recreation and Park Department and the Department of Human Services, in priority order, as the audit schedule of the Budget Analyst.

Recommendation: The proposed motion is a policy matter for the Board of Supervisors.

Item 8 – File 99-2233

Departments: Police Department

Item: Ordinance amending Chapter 10B, Section 10B.2, of the San Francisco Administrative Code to (a) require a deposit for services of police officers hired pursuant to this provision, (b) require payment within 30 days of the provision of services, and (c) eliminate the 22.5 percent administrative overhead fee.

Description: Currently, Section 10B.2 requires that a person, corporation, firm, or organization requesting police services for a special event pay for the cost of the additional services, including the rate of pay for the uniformed officers performing the services, and the cost of additional equipment and materials expended. Additionally, the party requesting police services is required to pay an administrative overhead fee, equal to 22.5 percent of the costs of police services for the special event. The special event fees are deposited in a special restricted fund, designated as the Special Law Enforcement Services (SLES) fund, and the 22.5 percent administrative overhead fees are transferred to the General Fund .

The proposed ordinance would change the current Administrative Code provision by (a) requiring that the party requesting police services for a special event pay a deposit, equal to the cost of the police services for the special event, as estimated by the Police Department, prior to the time that the Police Department provides the requested service, (b) requiring the requesting party to pay any balance due to the Police Department, above the initial deposit, within 10 days after receiving notice from the Police Department of the balance due, and (c) eliminating the 22.5 percent administrative overhead fee.

The proposed ordinance would continue to require that the costs of police services for a special event are based on the actual rate of pay for the uniformed officers performing the services, and the actual additional costs

incurred by the Police Department for the special events, such as equipment and materials.

Also, the proposed ordinance would permit the Police Department to waive the deposit requirement if services are requested for 30 days or more, or if the Department reasonably believes that a waiver is justified.

Under the proposed ordinance, after the police services for the special event are rendered, the Police Department would determine the amount of payment that is due based on actual costs, and would send a bill for the balance due to the party requesting police services. If the actual costs are less than the deposit previously made, the Police Department would send a refund to the party requesting police services. The party requesting police services would be required to pay any balance due within 10 days after receiving notification of such balance.

Fees received for police services provided to special events would continue to be deposited in the SLES Fund. However, because the 22.5 percent administrative overhead fee would be eliminated, no fees would accrue to the General Fund.

Comments:

1. In the Police Department Management Audit prepared by the Budget Analyst's Office in December of 1996, the Budget Analyst found that the Police Department (a) had waived payment of administrative overhead fees for several organizations, such as the San Francisco 49ers, the San Francisco Giants, and movie production companies, without authorization from the Board of Supervisors, and (b) had not transferred administrative overhead fees to the General Fund. Rather, the Police Department had retained such fees in the SLES Fund.[1]

2. Subsequently, the Controller conducted an audit of the Police Department's practice of collecting fees for providing police services for special events.[2] In the

[1] Management Audit of the San Francisco Police Department, Phase I, prepared by the Office of the Budget Analyst, December, 1996.

[2] "The San Francisco Police Department: The Department Has Not Charged All Organizations the Required Administrative Overhead for the Special Security Services It Provides", prepared by the Office of the Controller, November 2, 1999.

Controller's report, which was completed in November of 1999, the Controller found that, although the Police Department generally charged correctly for providing police services for special events, it did not charge the 22.5 percent administrative overhead fees to all the organizations to which it provided such services. Additionally, the Controller found that, when the Police Department did collect the 22.5 percent administrative overhead fees, the Department did not deposit such fees in the General Fund, as required by the Administrative Code, but instead deposited the fees in the SLES Fund. According to the Controller's report, the administrative overhead fees were used to pay for the Police Department's use of overtime rather than be available for other General Fund purposes of the City.

3. The Controller's report states that the Police Department did not collect $944,689 in administrative overhead fees for the two-year period reviewed, FY 1996-97 and FY 1997-98. Additionally, the report states that for those two fiscal years, the Police Department collected $629,842 in administrative overhead fees ($399,257 in FY 1996-97 and $230,585 in FY 1997-98) which were deposited in the SLES Fund rather than the General Fund, as required by the Administrative Code.

4. The Controller also reported that a Police Department survey of 13 metropolitan Police Departments found that only 5 of the 13 departments charged an administrative overhead fee. Additionally, the Controller reported that, these 5 metropolitan police departments charged an administrative overhead fee which was less than the 22.5 percent fee charged by San Francisco. The Controller recommended an administrative overhead fee of 10 percent and the Police Department recommended an administrative overhead fee of 15 percent.[3]

5. According to the Office of the Sponsor, the proposed ordinance has eliminated the administrative overhead fee because the goal of the ordinance is to change the ad hoc nature of the special events cost recovery under Section

[3] In determining the appropriate level of the administrative overhead fee, the Police Department included costs of donated services and bad debt expenses, which the Controller did not include.

10B and to ensure that all organizations requesting police services under Section 10B are treated equally,

6. As noted above, the Police Department does not charge the administrative overhead fee to all parties requesting police services, including the San Francisco 49ers, the San Francisco Giants, and various movie production companies. As previously noted, based on actual administrative overhead revenues received in FY 1996-97 and FY 1997-98, approximately $230,585 to $399,257 annually in administrative overhead revenues were kept by the Police Department in the SLES Fund instead of transferring such revenues to the General Fund.

7. As noted above, the proposed ordinance would permit the Police Department to waive the deposit requirement if the Department reasonably believes that a waiver is justified. According to Lieutenant Jack Ballentine of the Police Department, the Police Department currently waives the required deposit, based on the sponsorship of a special event, the Department's experience with the organization, the size of the organization, and if the organization is a nonprofit.

8. As of the writing of this report, the header of the proposed ordinance states that parties requesting police services for special events would be required to make a payment within 30 days of the provision of services. According to Ms. Margaret Baumgartner of the City Attorney's Office, the text of the ordinance states that the person, corporation, firm or organization that requested the services shall have 10 days, after receiving notification from the Police Department of the balance due, to pay the balance. Therefore, Ms. Baumgartner advises that the header of the proposed ordinance should be amended to state that payment is required within 10 days of receiving notification from the Police Department that a balance is due.

Recommendations:

1. Amend the proposed ordinance, in accordance with Comment No. 8 above.

2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

Item 9 - File 99-2204

Department: City Attorney's Office

Item: Resolution approving a contingency fee agreement in People of the State of California, et al. V. Arcadia Machine & Tool, Inc., et al.

Description: In May of 1999, the City Attorney's Office filed an initial complaint and then amended the complaint in July of 1999 for joint litigation with the Cities of Sacramento, Berkeley, Oakland and East Palo Alto and the Counties of Alameda and San Mateo, on behalf of the People of the State of California against firearm manufacturing companies, distributors, and related entities pursuant to the City Attorney's authority to protect the public under the California Business and Professions Code, in People of the State of California, et al., v. Arcadia Machine & Tool, Inc., et al. This lawsuit is seeking civil penalties, restitution and payment of firearm industry profits and to enjoin certain firearm industry practices, including but not limited to (1) the wrongful marketing and improper distribution of guns; (2) the design and distribution of guns without reasonable safety features, and (3) the use of deceptive claims in advertising and promotion of guns regarding the purported increase in home security relating to having a firearm in the home. The City Attorney's Office plans to retain the assistance of outside counsel experienced in similar litigation relating to firearms and also the recent joint tobacco litigation, on a limited out-of-pocket expenses and contingency fee basis.

The proposed resolution would approve reimbursement of limited out-of-pocket expenses (see details below) and a contingency fee agreement dated October 25, 1999, between the City Attorney's Office, on behalf of the City and County of San Francisco, and the five law firms of (1) Lieff, Cabraser Heimann & Bernstein; (2) Milberg, Weiss, Bershad, Hynes & Lerach; (3) Bushnell, Caplan & Fielding; (4) McCue and McCue; and (5) Cohen, Milstein, Hausfeld & Toll. This agreement

has already been signed off by the five law firms and Mr. Owen Clements of the City Attorney's Office reports that each of the other jurisdictions in the joint litigation have already approved or are in the process of approving similar agreements with these same five law firms.

Under the proposed agreement, the prosecuting cities and counties would reimburse the five law firms out-of-pocket expenses up to a total of $250,000 per fiscal year. Mr. Clements advises that San Francisco's share of the annual out-of-pocket expenses is estimated at a maximum of $100,000 annually. Mr. Clements also advises that it is reasonable to estimate that the proposed lawsuit will extend approximately three years until trial, or a total cost of up to $300,000 for out-of-pocket expenses for San Francisco.

Aside from these out-of-pocket expenses, any additional costs or expenses of the litigation paid by San Francisco and the other jurisdictions would be contingent upon a recovery being obtained from the pending litigation either by settlement or judgment, excluding civil penalties. Mr. Clements notes that although the subject lawsuit includes civil penalties, any civil penalties that San Francisco recovered from this lawsuit would be excluded from the contingency fees paid to the law firms. In accordance with the subject agreement, compensation to the law firms from any settlement or judgment would be based on the law firms' reasonable out-of-pocket expenses not previously reimbursed from the annual $250,000 reimbursement, plus 20 percent of any recovery, not including amounts specifically paid as attorney's fees and costs.

The proposed contingency fee agreement between San Francisco and the five law firms also includes specific requirements for each of the law firms to provide workers compensation, commercial general liability, business automobile liability and professional liability insurance as well as indemnification and hold harmless provisions. Mr.

Keith Grand, the City's Risk Manager has reviewed the proposed agreement and he advises that the agreement provides sufficient protections for the City regarding insurance and liability concerns.

Comments:

1. Mr. Clements advises that two similar lawsuits have been filed, one by the Cities of Los Angeles, Compton, Ingelwood and West Hollywood and the other by the County of Los Angeles. According to Mr. Clements, there is currently an effort underway to coordinate these three cases in the courts. Mr. Clements reports that the Judicial Council of California will likely decide the location of these various lawsuits by February of 2000.

2. According to Mr. Clements, the five law firms were selected as one group by representatives of the 12 California cities and counties involved in the three lawsuits, including representatives from the City Attorney's Office, based on discussions and presentations by five groups of various law firms. Although Mr. Clements advises that the specific details on the other law firms is not readily available, he advises that the five subject law firms were selected because of their knowledge and experience of representing cities and counties in similar lawsuits and that these same law firms represented the City in the recent tobacco litigation. In addition, Mr. Clements reports that the selected group of law firms proposed reasonable costs and contingency fees for the proposed case.

3. Mr. Clements advises that a standard contingency fee in a personal injury case is typically 33 percent and if the case goes to trial the contingency fee can increase to 40 percent. Therefore, Mr. Clement reports that the proposed contingency fee of 20 percent, including a total annual out-of-pocket expense of $250,000, of which San Francisco would be liable for up to $100,000 annually, is reasonable. However, the Budget Analyst notes that, as discussed above, if there is a settlement or award from the lawsuit, the law firms would be entitled to additional out-of-pocket expenses that were not previously reimbursed.

Mr. Clements advises that if the City loses this case, the City would not be liable for any of the private attorney expenses, other than the annual $100,000 out-of-pocket expenses. The City might also be held liable for statutory costs, which Mr. Clements reports are limited categories of expenses, such as jury fees, depositions, etc., which are not expected to cost more than a total of approximately $50,000. According to Mr. Clements, all of the other cities and counties in the case have or are in the process of preparing similar agreements with these same five law firms for the same 20 percent contingency fee basis and a total out-of-pocket expense of $250,000 per year. Mr. Clements advises that for the two other similar lawsuits, the Cities of Los Angeles, Compton, Ingelwood and West Hollywood have similar contingency and out-of-pocket expense provisions with these same law firms and Los Angeles County has a 22 percent contingency fee with these same law firms, with no annual out-of-pocket expenses to be reimbursed.

4. Although Mr. Clements cannot currently estimate the likely amount of any recovery that might be received from this lawsuit, Mr. Clements acknowledges that given that the firearms industry is significantly smaller than the tobacco industry, any recovery from the proposed lawsuit would not be anywhere near the amount to be recovered from the tobacco lawsuit. Under the tobacco lawsuit, the City is projected to receive a total of $586 million over a 25-year period.

5. In addition to the private law firms to be retained on this case, Mr. Clements reports that, during FY 1998-99 and FY 1999-2000 through December 31, 1999, the City Attorney's Office has accumulated expenditures of approximately $894,000 on this case. In addition, Mr. Clements anticipates that the City Attorney's Office will accumulate approximately another $717,000 in billing on this case during the remainder of FY 1999-2000. If the case is not resolved prior to trial,

Mr. Clements estimates that the City Attorney's Office will be using four City Attorney and two Investigator positions to work on this case over the next two to three years, which together with related support staff and costs will result in the billing of approximately $1.3 million annually or a total of approximately $2.6 million to $3.9 million during the two to three year period. Under this scenario, the City Attorney's total accumulated attorneys fees and costs would total up to $5,511,000 for this case. Assuming an additional $100,000 per year to reimburse out-of-pocket law firm expenses over the three year period, resulting in an additional $300,000, estimated accumulated attorneys fees and costs would total up to $5.811,000 for this case. According to Mr. Clements, the City Attorney will seek to recover the fees and costs in the litigation. Mr. Clements advises that these fees and costs are in line with the City Attorney's expenditures in the Bank of America case, which were recovered in full.

Mr. Clements advises that the Affirmative Litigation Fund of $1.3 million, which was established in the City Attorney's FY 1999-2000 budget, is the source of funds that is being used to pay for these costs. According to Mr. Clements, it is expected that recovery in other Affirmative Litigation Fund cases will be obtained before the end of this fiscal year to replenish this Fund. Mr. Clements advises that appropriation of any recovery which exceeds the budgeted recovery would be subject to approval by the Board of Supervisors.

6. The subject agreement states that the law firms will provide to the City Attorney a specific written description of the projected attorney and paralegal resources that the firms will devote to the litigation and that any change in this commitment shall be made only with the prior written agreement of the City Attorney. However, Mr. Clements advises that, to date, the law firms have not provided such documentation to the City Attorney's Office.

7. The proposed agreement also states that the City Attorney retains the right to add not more than five additional law firms as Special Attorneys in this litigation, and permits the City Attorney to retain the right to add as many additional attorneys and firms who agree to participate on a pro bono publico basis, to be eligible to recover their reasonable expenses and may seek court-awarded fees payable by defendants in addition to any recovery. Mr. Clements advises that any such additional attorneys would be subject to the same 20 percent contingency fee basis, such that these additional attorneys would not affect the amount of the recovery that the City would ultimately receive. Mr. Clements also advises that any pro bono attorneys would not be eligible to a claim on the settlement or contingency fees.

8. Mr. Clements advises that approval of any proposed settlement from the outcome of this case would be subject to the Board of Supervisors' approval. According to Mr. Clements, if the City obtains a settlement or judgement, the City Attorney's Office would likely request that a portion of these funds be used to reimburse the City Attorney's Affirmative Litigation Fund that was used to fund the City Attorney's costs on this case. However, any such appropriation of funds would be subject to the Board of Supervisors approval.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
President Ammiano
Supervisor Becerril
Supervisor Bierman
Supervisor Brown
Supervisor Leno
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey

.043

City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Victor Young

13/2000

Thursday, January 13, 2000 **1:00 PM** **City Hall, Room 400**

Rescheduled Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

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Meeting Convened

The meeting convened at 1:13 P.M.

991809 **[Acceptance of two (2) gifts estimated at $200,000 from the estate of LeMar Hoaglin and $25,000 from the estate of Beatrice Druhe for patients at San Francisco General Hospital]**

Resolution authorizing the Department of Public Health, San Francisco General Hospital to accept and expend gifts bequeathed to San Francisco General Hospital from the estate of LeMar Hoaglin and the estate of Beatrice Druhe. (Department of Public Health)

9/22/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: none

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

991947 **[Accepting gift of law books with an estimated value of $7,608 for the City Attorney's Office from the former law office Bronson, Bronson & McKinnon]**

Resolution authorizing the City Attorney's Office to accept a gift from the former law office of Bronson, Bronson & McKinnon of law books for the library in the City Attorney's Office. (City Attorney)

10/15/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000033 **[Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 1999]**

Supervisor Kaufman

Hearing to consider the Comprehensive Annual Financial Report for the City and County of San Francisco as issued by the City's independent auditors for the fiscal year ending June 30, 1999.

(Pursuant to Charter Section 9.117.)

1/4/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Sponsor requests this matter be scheduled at the January 13, 2000 meeting.

Heard in Committee. Speakers: Ed Harrington, Controller; Denise Price, KPMG; Colene Adams.

FILED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000039 **[Audit Priorities: Controller Audit of Adult Probation, Department of Building Inspection, City Attorney, Public Defender, Real Estate Department; Budget Analyst audit: Fire Department, Recreation and Park Department, Department of Human Services]**

Supervisor Kaufman

Motion adopting a proposed schedule of audits to be conducted of programs of City and County departments.

1/4/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Sponsor requests this matter be scheduled at the January 13, 2000 meeting.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Ed Harrington, Controller.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

992117 **[Administrative Code Revision - Municipal Finance]**

Supervisor Kaufman

Ordinance amending Administrative Code by repealing Section 2.63 (Residential Rehabilitation Bonds); repealing Chapter 43 (Residential Mortgage Revenue Bonds); Chapter 48 (Economic Development Bonds); Chapter 52 (Water Department and Hetch Hetchy Revenue Bonds); Chapter 55 (Refunding Revenue Bonds); Chapter 64, (Bond Facilitation); Chapter 78 (Refunding Bonds Savings Test); and Chapter 81 (Affordable Housing and Home Ownership Bonds); and re-enacting and consolidating those chapters in a new Chapter 43 (Municipal Finance).

(Repeals Section 2.63, Chapter 43, Chapter 48, Chapter 52, Chapter 55, Chapter 64, Chapter 78, Chapter 81; adds new Chapter 43.)

11/15/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/15/1999.

Heard in Committee. Speakers: none

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

992152 **[Administrative Code Revision - Chapter 35]**

Supervisor Kaufman

Ordinance amending Administrative Code by repealing Chapter 35 (Home-ownership Assistance Program) in its entirety.

(Repeals Chapter 35, sections 35.1 through 35.73.)

11/22/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/22/1999. With request it be considered at the January meeting.

Heard in Committee. Speakers: none

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

992232 **[Administrative Code Revision, Chapter 20]**

Supervisor Kaufman

Ordinance amending Administrative Code Section 20.51 to update the appointment of members of the Delinquency Prevention Commission and by repealing Sections 20.19, 20.25-1, 20.32-1, 20.54, 20.61, 20.62, 20.63 and 20.64, regarding the Department of Human Services, to eliminate out-dated and obsolete provisions.

(Amends Section 20.51; repeals Sections 20.19, 20.25-1, 20.32-1, 20.54, 20.61, 20.62, 20.63 and 20.64.)

12/6/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 1/5/2000.

Heard in Committee. Speakers: none

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

992233 **[Payment of Services of Police Officers]**

Supervisor Kaufman

Ordinance amending Administrative Code Section 10B.2 to require a deposit for services of police officers hired pursuant to this provision and to require payment within 30 days of provision of services and to eliminate the administrative overhead fee.

(Amends Section 10B.2.)

12/6/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 1/5/2000.

Heard in Committee. Speakers: male.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Chapter 10B Section 10B.2 of the San Francisco Administrative Code to require a deposit for services of police officers hired pursuant to this provision and to require payment within 10 days of notification of final balance due, and to eliminate the administrative overhead fee.

(Amends Section 10B.2.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

992204 **[Contingent Fee Agreement in Gun Litigation]**

Resolution approving contingency agreement in People of the State of California, et al. v. Arcadia Machine & Tool, Inc., et al. (City Attorney)

(S.F. Superior Court No. 303753.)

12/1/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

LITIGATION

This Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

992300 **[Settlement of Lawsuit, Wong Revocable Trust]**

Ordinance authorizing settlement of litigation of Wong Revocable Trust AKA Harvey Wong and Helen K. Wong 1992 Trust, Harvey Wong and Steven Wong and Holson, Inc., against the City and County of San Francisco by payment of $75,000 and waiver of nuisance abatement fees. (City Attorney)

(S. F. Superior Court No. 300-456.)
(Date filed: 2/5/99)
12/15/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. A confidential cover letter dated October 19, 1999 is on file with the Clerk of the Board.

Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

992304 **[Settlement of Lawsuit, Christina Sayborivong]**

Ordinance authorizing settlement of litigation of Christina Sayborivong against the City and County of San Francisco by payment of $200,000.00. (City Attorney)

(S. F. Superior Court No. 996-053.)
(Date filed: 6/25/99)
12/15/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. A confidential cover letter dated July 27, 1999 is on file with the Clerk of the Board.

Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

992305 **[Settlement of Lawsuit, Julie Cavallero]**

Ordinance authorizing settlement of litigation of Julie Cavallero against the City and County of San Francisco by payment of $40,000.00. (City Attorney)

(S. F. Superior Court No. 998947.)
(Date filed: 11/2/98)
12/15/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. A confidential cover letter dated November 18, 1999 is on file with the Clerk of the Board.

Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

992306 **[Settlement of Lawsuit, Damon Jackson and James Hughes]**

Ordinance authorizing settlement of litigation of (1) Damon Jackson, et al. v. City and County of San Francisco, et al. and (2) James Hughes, et al. v. City and County of San Francisco, et al. by payment of $355,000.00. (City Attorney)

(Damon Jackson, et al. v. CCSF, et al. United States District Court No. C93-0086DLJ; and James Hughes, et al. v. CCSF, et al. San Francisco Superior Court Case No. 952-954.)
(Dates filed: Jackson - 12/8/92; Hughes - 6/21/93.)
12/15/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. A confidential cover letter dated December 13, 1999 is on file with the Clerk of the Board.

Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

This Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the above items at this time and may move not to disclose any information at this time.

ADJOURNMENT

The meeting adjourned at 3:10 P.M.

Susan Hom
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CITY AND COUNTY OF SAN FRANCISCO

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

January 27, 2000

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: February 1, 2000 Audit and Government Efficiency Committee Meeting

Item 1 – File 00-0105

Department: Department of Public Works (DPW)

Item: Resolution accepting gifts of computer software and hardware, valued at a total of $10,527 from the Environmental Systems Research Institute (ESRI) and International Business Machines (IBM) for use by the Department of Public Works.

Gift Amount: $10,527 in computer software and hardware

Description: ESRI and IBM have a program called the "ESRI Livable Communities Public Access Grant," which donates computer hardware and software to local governments in order to make data available to the public over the internet. The donation of $10,527 in computer software and hardware by ESRI and IBM would allow the Department of Public Works (DPW) to provide data from its Geographic Information Systems (GIS) to the public. Using the GIS, DPW develops a basemap for the City, which is used to plan infrastructure improvements, organize street cleaning efforts, and assist in many other tasks. The subject donation would allow DPW to make

this basemap available to the public through a web browser.

Budget: The budget for the proposed project is as follows:

1 IBM IntelliStation E Pro Pentium III/500MHz	$2,519
1 64 MB Memory Upgrade (System Total: 192 MB)	179
1 IBM G74 monitor (17")	329
1 MapObjects Internet Map Server	7,500
Total Grant Value	$10,527
GIS Network Specialist (20 hrs)	$2,241
GIS Programmer/Analyst (40 hrs)	2,660
Total DPW Labor to Implement Grant	$4,901
Total Project Costs	$15,428

Comments:

1. According to Mr. George White of DPW, the implementation costs for the donated equipment, estimated at $4,901, are included in the DPW FY 1999-2000 Budget. Mr. White advises that maintenance costs will be absorbed in the DPW FY 1999-2000 Budget.

2. Mr. White advises that the $10,527 donation amount was determined by ESRI and IBM, based upon estimates of the market value of the computer hardware and software needed for this project.

Recommendation: Approve the proposed resolution.

Item 3 – File 99-1150

Note: This item was continued from the Audit and Government Efficiency meeting of October 5, 1999.

1. This is a hearing to consider the status of workers' compensation claims at the Municipal Railway and to discuss what steps Muni is taking to curb abuses of such workers' compensation claims.

2. The Controller's Office reports that Muni expended $20,198,878 for workers' compensation claims in Fiscal Year 1998-99. That level of expenditure was $4,150,878 or 25.9 percent more than the original FY 1998-99 Muni workers' compensation budget of $16,048,000. The Fiscal Year 1999-2000 budget for Muni workers' compensation claims is $18,800,000 which is $1,398,878 or 6.9 percent less than Fiscal Year 1998-99 expenditures of $20,198,878.

3. According to Mr. Bob Kuo, Deputy General Manager for the Department of Public Transportation (DPT), the Muni will make a presentation to the Audit and Government Efficiency Committee at its February 2, 2000 meeting. The presentation will provide the Committee with updated information on steps implemented by Muni to improve management and cost control of workers' compensation claims. Mr. Kuo reports that the DPT will also provide the Audit and Government Efficiency Committee with a projected annual workers' compensation expenditure estimate for FY 1999-2000 based on the first six months of the Fiscal Year.

Comments

1. The Budget Analyst previously reported that the FY 1999-2000 budget for workers' compensation of approximately $48.2 million for General Fund and General Fund supported departments is slightly less than the FY 1998-99 actual spending levels of approximately $48.6 million. However, the Budget Analyst notes that amounts appropriated for workers' compensation expenditures in the FY 1999-2000 budget do not allow for growth in spending over the prior 1998-99 Fiscal Year. The percentage increase between FY 1997-98 actual workers' compensation expenditures and FY 1998-99 expenditures was approximately 14.5 percent.

2. According to Mr. Matthew Hymel, Mayor's Director of Finance, the Mayor previously announced budgetary incentives for controlling workers' compensation costs. Departments who expend less than their FY 1999-2000 budget for Workers Compensation will be allowed to "re-program" such savings for other Departmental spending priorities.

3. In addition, the Mayor's Workers' Compensation Council (comprised of the Controller, the Director of Human Resources, the General Manager of the Employees Retirement System and Mr. Hymel) is expected to issue a report by the end of February of 2000 that will provide recommendations on improving the management of workers' compensation citywide. Mr. Hymel further reports that FY 1999-2000 expenditures through the first six months of the Fiscal Year have increased by 1.8 percent over the prior, 1998-99 Fiscal Year. This growth rate, if sustained throughout Fiscal Year 1999-2000, would be significantly lower than the 14.5 percent growth in workers' compensation expenditures the City experienced in FY 1998-99.

for Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
President Ammiano
Supervisor Becerril
Supervisor Bierman
Supervisor Brown
Supervisor Leno
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey

.043

1/00

City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Acting Clerk: Donna Hall

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Tuesday, February 01, 2000 **2:00 PM** **City Hall, Room 263**

Rescheduled Meeting

Members Present: Barbara Kaufman, Gavin Newsom.

Members Absent: Leslie Katz.

DOCUMENTS DEPT.

FEB 07 2000

SAN FRANCISCO
PUBLIC LIBRARY

Meeting Convened

The meeting convened at 2:00 P.M.

REGULAR AGENDA

000105 **[Accepting gift of computer workstation valued at $3,027 from IBM and software/ materials valued at $7,500 from ESRI for use by DPW.]**

Resolution accepting gifts valued at a total of $10,527 from IBM and ESRI for use by the Department of Public Works. (Department of Public Works)

1/18/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: George Barns, Office Geo Data Services, Public Works.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

000060 **[Independent auditors' management letters and comments]**

Supervisor Kaufman

Hearing to consider the Independent auditors' management letters and comments related to the June 30, 1999 audit of the City.

(Pursuant to Charter Section 9.117.)

1/10/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ed Harrington, Controller; Denise Price, KPMG; Tom Piper; Raul Hernandez, Port.

FILED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

991150 **[Workers' Compensation, Municipal Railway]**

Supervisors Kaufman, Ammiano, Newsom

Hearing to consider the status of workers' compensation claims at the San Francisco Municipal Railway and to discuss what steps MUNI is taking to curb abuses of workers' compensation.

6/7/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Request this item be scheduled at the July 6, 1999 meeting.

7/6/99, CONTINUED. Heard in Committee. Speakers: Michael Burns, General Manager, Municipal Railway; Jeff Gary, Workers Compensation Coordinator, Municipal Railway; Ed Harrington, Controller. Continued to October 5, 1999.

10/5/99, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Michael Burns, General Manager, Municipal Railway; Jeff Kerry, Municipal Railway; Jim Corrigan; Rey Antonio, Local 38.

Heard in Committee. Speakers: Jeff Gary, Manager, Workers' Compensation for Municipal Railway; Quincey Norris, Muniipal Railway; Ed Harrington, Controller; Ken Bruce, Budget Analyst; Jim Corrigan.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

991665 **[Controller's Audit: San Francisco Public Library]**

Supervisor Kaufman

Hearing to consider the Controller's audit of revenue collection procedures and safeguards at the branch libraries of the San Francisco Public Library.

8/23/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Request that this matter be calendared at a special meeting, September 16, 1999.

11/2/99, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Dorie Herson, Controller's Office, Cathlene Lucy, Controller's Office; Susan Hilda, Deputy Director of the Public Library; George Nickles, Public Library.

Heard in Committee. Speaker: George Nickels, Finance Director, Public Library.

FILED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

991517 **[Public Administrator/Public Guardian's Office Performance Audit]**

Supervisor Kaufman

Hearing to consider the results of the investigative and performance audit of the Public Administrator/Public Guardian's Office.

8/2/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. The Chair requests this item be calendared for the September meeting.

9/16/99, CONTINUED. Heard in Committee. Speakers: Ed Harrington, Controller; Ricardo Hernandez, Mental Health Coordinator; Amilla Suno, Health Department. Continued to December 7, 1999.

12/7/99, CONTINUED. Heard in Committee. Speakers: Ed Harrington, Controller; Jimmy Lourse; Mr. Hand. Continued to February 1, 2000.

Heard in Committee. Speakers: Ed Harrington, Controller; James Loyce, Deputy Director, Public Guardian's Office; Keith Jacobson, MD; Selinia Brook; Andy Cole; Richard Tosh esq.; Chester Lababe. Continued to April 4, 2000.

CONTINUED.

000110 **[Administrative Code Revision, Municipal Finance]**

Supervisor Kaufman

Ordinance amending Administrative Code by repealing Chapter 84 (Sections 84.1 through 84.6), regarding Public Utilities Commission short-term indebtedness.

(Repeals Chapter 84, Sections 84.1 through 84.6.)

1/18/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: none

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

000109 **[Child Care Planning and Advisory Council]**

Supervisor Kaufman

Ordinance amending Administrative Code Section 5.200 to give the Child Care Planning and Advisory Council additional powers and duties in conformance with State law and to change the composition of the council in conformance with State law.

(Amends Section 5.200.)

1/18/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: none

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

992319 **[Administrative Code Revision, Chapters 27 and 28]**

Supervisor Kaufman

Ordinance amending Administrative Code Chapters 1, 2A, 10, 27 and 28 by renumbering Sections 1.16, 10.115, 10.116-4, 28.1, 28.2, 28.3, 28.4, 28.5, 28.6,28.7,28.8, 27.1, 27.2, 27.3 and 27.4 as Sections 2A.150.1, 2A.155.2, 2A.155.3, 2A.155.4, 2A.155.5, 2A.155.6, 2A.155.7, 2A.155.9, 2A.155.10, 2A.155.11, 2A.155.12, 2A.165, 2A.165.1, 2A.165.2, and 2A.165.3, respectively, and amending the same, by renumbering Sections 2A.156 and 2A.161 as Sections 2A.155.1 and 2A.160.1, respectively, by adding Section 2A.155.8, and by repealing sections 28.10, 28.11, 28.12, 28.13, 28.14, 28.15, 27.3-1, 27.5, 27.6, 27.8 and 27.9 to consolidate provisions relating to the arts and culture departments of the City, including the Arts Commission, the Fine Arts Museums, the Academy of Sciences, and the War Memorial, to update out-dated provisions, eliminate obsolete and redundant provisions, and correct references.

(Renumbering Sections 1.16, 10.115, 10.116-4, 28.1, 28.2, 28.3, 28.4, 28.5, 28.6,28.7,28.8, 27.1, 27.2, 27.3 and 27.4 as Sections 2A.150.1, 2A.155.2, 2A.155.3, 2A.155.4, 2A.155.5, 2A.155.6, 2A.155.7, 2A.155.9, 2A.155.10, 2A.155.11, 2A.155.12, 2A.165, 2A.165.1, 2A.165.2, and 2A.165.3, respectively, and amending the same, by renumbering Sections 2A.156 and 2A.161 as Sections 2A.155.1 and 2A.160.1, respectively, by adding Section 2A.155.8, and by repealing sections 28.10, 28.11, 28.12, 28.13, 28.14, 28.15, 27.3-1, 27.5, 27.6, 27.8 and 27.9.)

12/20/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 1/19/2000.

Heard in Committee. Speaker: none

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

Ordinance amending Administrative Code Chapters 1, 2A, 10, 27 and 28 by renumbering Sections 1.16, 10.115, 10.116-4, 28.1, 28.2, 28.3, 28.4, 28.5, 28.6,28.7,28.8, 27.1, 27.2, 27.3, 27.4, and 27.9 a$ Sections 2A.150.1, 2A.155.2, 2A.155.3, 2A.155.4, 2A.155.5, 2A.155.6, 2A.155.7, 2A.155.9, 2A.155.10, 2A.155.11, 2A.155.12, 2A.165, 2A.165.1, 2A.165.2, 2A.165.3, and 2a.165.4, respectively, and amending the same, by renumbering Sections 2A.156 and 2A.161 as Sections 2A.155.1 and 2A.160.1, respectively, by adding Section 2A.155.8, and by repealing sections 28.10, 28.11, 28.12, 28.13, 28.14, 28.15, 27.3-1, 27.5, 27.6, and 27.8 to consolidate provisions relating to the arts and culture departments of the City, including the Arts Commission, the Fine Arts Museums, the Academy of Sciences, and the War Memorial, to update out-dated provisions, eliminate obsolete and redundant provisions, and correct references.

(Renumbering Sections 1.16, 10.115, 10.116-4, 28.1, 28.2, 28.3, 28.4, 28.5, 28.6,28.7,28.8, 27.1, 27.2, 27.3 and 27.4 as Sections 2A.150.1, 2A.155.2, 2A.155.3, 2A.155.4, 2A.155.5, 2A.155.6, 2A.155.7, 2A.155.9, 2A.155.10, 2A.155.11, 2A.155.12, 2A.165, 2A.165.1, 2A.165.2, and 2A.165.3, respectively, and amending the same, by renumbering Sections 2A.156 and 2A.161 as Sections 2A.155.1 and 2A.160.1, respectively, by adding Section 2A.155.8, and by repealing sections 28.10, 28.11, 28.12, 28.13, 28.14, 28.15, 27.3-1, 27.5, 27.6, 27.8 and 27.9.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

992320 **[Administrative Code Revision, Chapter 24B]**

Supervisor Kaufman

Ordinance amending Administrative Code Section 24B.1 to allow the Mayor to assign any member of his staff the position of Executive Secretary to the Relocation Appeals Board and amending Section 24B.3 to require the Board to meet once a month only if there is business pending before the Board.

(Amends Sections 24B.1 and.24B.3.)

12/20/99, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 1/19/2000.

Heard in Committee. Speaker: none

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

LITIGATION

This Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

000083 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of Linda Kay Roberts against the City and County of San Francisco by payment of $500,000. (City Attorney)

(S. F. Superior Court No. 992-339; filed on January 16, 1998.)

1/12/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. A confidential letter dated September 16, 1999 is on file with the Clerk of the Board.

1/28/00, CLERICAL CORRECTION. On page 1 line 3 after the words "FOR $500,000." add the following "[Linda Kay Roberts v City and Count of San Francisco and Guegory Labat, San Francisco Superior Court No. 992-339, Filed 1/16/98]

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

This Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the above items at this time and may move not to disclose any information at this time.

ADJOURNMENT

The meeting adjourned at 4:10 P.M.

90.043
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7/00

Susan Hom
Government Documents Section

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

DOCUMENTS DEPT

MAR - 6 2000

SAN FRANCISCO
PUBLIC LIBRARY

March 2, 2000

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: March 7, 2000 Audit and Government Efficiency Committee Meeting

Item 2 - File 00-0227

Department:	Police Department (SFPD)
Item:	Resolution authorizing the Police Department to accept a gift of a 1995 Chevrolet Astrovan valued at $7,000 for use by the San Francisco Police Youth Fishing Program (YFP).
Value of Gift:	$7,000 as estimated by the donor, the Little People's Fishing Program
Source of Gift:	The Little People's Fishing Program
Description:	According to SFPD, every summer since 1969, YFP, a non-profit organization, has provided freshwater and saltwater fishing activities to children between the ages of 8 and 17. Today, more than 2000 children fish with police officers during summer months. YFP teaches children to view police officers as "the good guys", and keeps otherwise wayward youths out of trouble. The program has received national acclaim, and is thought to be at least partially responsible for reduced rates of juvenile crime during summer months.

As YFP is a non-profit organization, it is funded almost completely by private donations. The staff consists entirely of off-duty police officers who volunteer their time. The only cost to the City of San Francisco is the cost of operation and maintenance of the single van currently used by YFP during summer months. This cost is assumed by the SFPD.

The proposed resolution would authorize SFPD to accept a gift of a 1995 Chevrolet Astrovan from the Little People's Fishing Program for use by YFP. The Little People's Fishing Program was a non-profit organization that, for financial reasons, decided to cease all operations and donate its assets to YFP in the hopes that the service it provided to the community would be continued. Because SFPD maintains and operates a van for YFP, the Little People's Fishing Program is donating the subject van to SFPD so that it too can be maintained by the police officers who volunteer for YFP.

The donated van would only be used during the summer operation of YFP, and will be used primarily for carrying fishing equipment. The van will transport only police officers involved in the program. There is no seating in the rear of the van, so only a driver and a single passenger will ever travel in the vehicle.

Comment: According to Lt. Minasian of SFPD, operation and maintenance of the subject van will cost an estimated $500 per year. As with the current YFP vehicle that is maintained as part of the SFPD fleet, the operation and maintenance costs of the donated van will be absorbed by SFPD in the Department's regular fleet budget.

Recommendation: Approve the proposed resolution.

Item 3 – File 00-0228

Department: Department of Public Health (DPH), San Francisco General Hospital (SFGH)

Item: Resolution Authorizing the Department of Public Health, San Francisco General Hospital, to accept and expend a cash gift of $96,154 donated by the Estate of Kathleen Mason.

Description: San Francisco General Hospital is the recipient of a cash gift of $96,154 bequeathed to San Francisco General Hospital from the estate of Kathleen Mason.

The proposed resolution would authorize the Department of Public Health, San Francisco General Hospital, to accept the subject gift of $96,154. All monies would be expended "exclusively for the benefit of AIDS patients at the San Francisco General Hospital"

Recommendation: Approve the proposed resolution.

Memorandum to Audit and Government Efficiency Committee
Marcy 7, 2000 Audit and Government Efficiency Committee Meeting

Item 4 – File 00-0327

Department: Department of Public Works (DPW)

Item: Resolution accepting gifts of computer software valued at a total of $32,750 from the Environmental Systems Research Institute (ESRI) for use by the Department of Public Works.

Gift Amount: $32,750 in computer software

Description: ESRI has a program which donates computer software to local governments in order to make data available to the public over the Internet. The donation of $32,750 in computer software by ESRI would allow the Department of Public Works (DPW) to provide data from its Geographic Information Systems (GIS) to the public. Using the GIS, DPW develops a basemap for the City, which is used to plan infrastructure improvements, organize street cleaning efforts, and assist in many other tasks. The subject donation would allow DPW to integrate utilities information into the Department's GIS.

Budget: The budget for the proposed project is as follows:

	Cost
1 ESRI ArchInfo Software Package	$32,750
Total Grant Value:	**$32,750**

Comments:

1. According to Ms. Marivic Huff of DPW, Department staff time needed to implement the grant will cost $4,901. Ms. Marivic states that the initial implementation cost will be absorbed in the Department's FY 1999-2000 Budget.

2. Ms. Huff advises that ESRI determined the amount of the $32,750 donation based on the estimated market value of the software needed for this project.

Recommendation: Approve the proposed resolution.

Item 7 - File 00-0324

Department: Department of Public Works (DPW)

Item: Resolution (a) accepting the gift of the dog head sign located at 2750 Sloat Boulevard, San Francisco, California, (b) approving the easement agreement in which Sloat Garden Center grants the City and County of San Francisco a non-exclusive easement over property upon which the dog head sign is located for a term of up to 5 years, and (c) agreeing to maintain and relocate the dog head sign in San Francisco's Ocean Beach neighborhood.

Description: In July of 1999, the San Francisco Landmarks Preservation Advisory Board (Landmarks Board) recommended that the dog head sign and the adjacent restaurant building, located at 2750 Sloat Boulevard, be given landmark designation. In November of 1999, the San Francisco Planning Commission disapproved the landmark designation of the dog head sign and adjacent building. Both the Ocean Beach Historical Society and the Landmarks Board filed an appeal with the Board of Supervisors regarding the Planning Commission's disapproval of the landmark designation. On February 22, 2000, after a full public hearing, the Board of Supervisors voted to deny the appeal.

The Sloat Garden Center, which owns the sign and the property located at 2750 Sloat Boulevard, has offered to give the City the sign and to grant the City a non-exclusive easement over the property on which the sign is currently located, for a term of up to 5 years.

Approval of the proposed resolution would authorize the City to accept the gift of the dog head sign from Sloat Garden Center and to enter into a non-exclusive easement agreement with Sloat Garden Center.

Comments: 1. The proposed resolution would authorize the Department of Public Works (DPW) to receive the gift of the dog head sign on behalf of the City and to execute the easement agreement. According to Mr. Charles Sullivan of the City Attorney's Office, under the terms of the easement agreement, the gift of the dog head sign would be unconditional and at no acquisition cost to the City. Additionally, Mr. Sullivan states that the Sloat Garden Center would grant to the City an easement on the property on which the sign currently sits for a period of up to five years,

allowing the sign to remain at its present location for the 5-year period. However, according to Mr. Sullivan, the easement agreement could be terminated in less than 5 years under certain conditions. Mr. Sullivan states that the restaurant building adjacent to the subject sign has a 5-year lease, which is concurrent with the subject easement agreement. Mr. Sullivan advises that, under the subject easement agreement, (a) if the restaurant lease terminates in less than 2 years, the City 's easement agreement would terminate 2 years and 6 months into the easement term, and (b) if the restaurant lease terminates after 2 years, the City's easement agreement would terminate 6 months following such lease termination, not to extend beyond January 1, 2005.

2. Approval of the proposed resolution would authorize the DPW to enter into the subject easement agreement on behalf of the City. According to Mr. Sullivan and as stated in the resolution, the City Attorney would review and approve the restaurant lease termination provisions and any lenders' subordination agreements, deemed necessary by DPW, prior to DPW's execution of the subject easement agreement. Mr. Sullivan advises that the purpose of such review is to ensure that no unusual termination rights are included in the restaurant lease and to potentially avoid an early termination of the easement as a result of a lender foreclosure action.

3. Mr. Sullivan states that the City would be required to relocate the subject sign from its present site no later than January 1, 2005, in accordance with the conditions noted above. Under the proposed resolution, the City, after consulting with the Landmarks Board, would determine a new location for the sign, and would use its best efforts to relocate the sign to a City-owned property in the surrounding neighborhood.

4. According to Ms. Tina Olson of DPW, the DPW would assume responsibility for maintenance of the sign at its present location and for relocation of the sign. Under the terms of the easement agreement, the DPW would be responsible for the cost of maintaining the sign in safe condition. According to Ms. Olson the DPW has not yet developed cost estimates for the maintenance of the sign. According to the Office of the Sponsor the Painters and Tapers Local Union No. 4 and sign contractor John Law have agreed to donate services, labor, and materials for the maintenance and restoration of the sign and the supporting

pole. Ms. Olson states that the DPW would be responsible for any maintenance costs in excess of any donated services, labor, and materials.

5. According to Mr. Sullivan, under the subject easement agreement with Sloat Garden Center, the Garden Center would pay up to $5,000 for the cost of relocating the subject sign to another location, following such relocation. Ms. Olson states that DPW would be responsible for the relocation of the sign, including any costs in addition to the $5,000 to be reimbursed by Sloat Garden Center. According to Ms. Olson, the DPW has not yet developed cost estimates for relocation of the sign.

6. Under the proposed resolution, the City would allocate funds annually to the DPW, or any other appropriate City departments, sufficient to cover the costs of maintenance and relocation of the subject sign.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

for Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
President Ammiano
Supervisor Becerril
Supervisor Bierman
Supervisor Brown
Supervisor Leno
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey

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GOVERNMENT DOC SECTION
Main Library

City and County of San Franci
Meeting Minutes
Audit and Government Efficiency C

Members: Supervisors Barbara Kaufman, Gavin Newsom.

Acting Clerk: Donna Hall

Tuesday, March 07, 2000 | **2:00 PM** | **City Hall, Room 263**

Regular Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

Meeting convened

Meeting convened at 2:00 p.m. Supervisor Katz was noted present at 2:20 p.m.

DOCUMENTS DEPT.

MAR 2 1 2000

SAN FRANCISCO
PUBLIC LIBRARY

REGULAR AGENDA

000175 **[Reward Authorization]**

Ordinance authorizing payment of reward to John P. Doyle (also known as Sean Doyle) and George R. Forster. (Mayor)

1/25/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Various documents marked "confidential" from the Mayor's Office of Criminal Justice Council are on file with the Clerk of the Board

Heard in Committee. Speakers: Rhonda Scott, Office of Criminal Justice.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

000227 **[Accepting a gift of Chevrolet van valued at $7,000 for Police Department's Youth Fishing Program]**

Resolution authorizing the San Francisco Police Department to accept a gift of a Chevrolet van valued at $7,000 for use in its Youth Fishing Program. (Police Commission)

2/1/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

000228 **[Aeeepting gift of $96,154 from the estate of Kathleen Mason for the benefit of AIDS patients at S.F. General Hospital]**

Resolution authorizing the Department of Public Health, San Francisco General Hospital to accept and expend a gift of $96,154 donated by the estate of Kathleen Mason. (Public Health Department)

2/2/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Anne Okubo, Public Health; Ken Bruce, Budget Analyst.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

000327 **[Aeeepting gifts of computer software and hardware valued at $32,750 from Environmental Systems Research Institute (ESRI) for use by DPW]**

Resolution accepting gifts valued at a total of $32,750 from Environmental Systems Research Institute (ESRI) for use by the Department of Public Works. (Public Works Department)

2/18/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee

Heard in Committee. Speakers: Jeff Johnson, Public Works.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

991847 **[Performanee Audit, Commission on the Status of Women]**

Supervisor Kaufman

Hearing to consider the Controller's performance audit of the Commission on the Status of Women.

9/27/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Request that this matter be scheduled at the November 2, 1999 meeting.

11/2/99, CONTINUED TO CALL OF THE CHAIR Heard in Committee. Speakers: Dorie Herson, Controller's Office; Mark Tipton, Controller's Office; Sonya Marlara, Commission on the Status of Women.

Heard in Committee: Speakers: Sonia Melara, Commission on Status of Women.

FILED.

000198 **[Administrative Code Revision, Chapter 11, Franehises]**

Supervisor Kaufman

Ordinance amending Chapter 11 of the San Francisco Administrative Code by replacing Articles I, II, and IV in their entirety with new Articles I through VII and making minor amendments to Article III and renumbering Article III to become Article IX.

1/31/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 3/1/2000. Sponsor requests this matter be considered at the March 7, 2000 meeting.

2/28/00, SUBSTITUTED. Supervisor Kaufman submitted an amendment of the whole (substitute) in Board.

2/28/00, ASSIGNED to Audit and Government Efficiency Committee. Sponsor requests this matter be considered at the March 7, 2000 meeting.

Heard in Committee. Speakers: Denise Brady, Telecommunications & Information Services; Julia Friedlander, City Attorney's Office. Amendment of the Whole relating to non-substantive changes.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

To Board for consideration on March 20, 2000.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000324 **[Acceptance of gift and approval of easement agreement - dog head sign]**

Supervisors Becerril, Brown

Resolution accepting gift of dog head sign located at 2750 Sloat Boulevard, San Francisco, California; approving easement agreement in which Sloat Garden Center grants the City and County of San Francisco a non-exclusive easement over property upon which the dog head sign is located for the term of 5 years; and agreeing to maintain and relocate the dog head sign in San Francisco's Ocean Beach neighborhood.

2/23/00, REFERRED FOR ADOPTION WITHOUT COMMITTEE REFERENCE AGENDA AT THE NEXT BOARD MEETING.

2/28/00, SEVERED FROM FOR ADOPTION WITHOUT COMMITTEE REFERENCE AGENDA Supervisor Becerril requested this matter be severed so it could be considered separately.

2/28/00, AMENDED Supervisor Becerril moved to amend page two, line 10, by inserting the word "shall" after "That the Board of Supervisors"; amend page two, lines 18 through 20, by substituting the following: "Further resolved, That following the City Attorney's review and approval of the termination provisions of Sloat Garden Center's lease to Mr. Silver Ballasteros and any consent or subordination agreement determined to be necessary by Mark Primeau, Director of Public Works, the Board of Supervisors authorizes Mark Primeau, to execute the Easement Agreement, the Gift Deed and any such consent or subordination agreement on behalf of the City".

2/28/00, MOTION to rescind the previous vote which failed to adopt the resolution as amended.

2/28/00, REFERRED to Audit and Government Efficiency Committee Supervisor Brown requested to be added as co-sponsor

Supervisor Yaki requested this matter be referred to committee.

Heard in Committee. Speakers: Steve Atkinson, Attorney; Ted Warshauer, Sloat Garden Center; Diana Scott. Amendment of the Whole relating to term of easement.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution accepting gift of dog head sign located at 2750 Sloat Boulevard, San Francisco, California; approving easement agreement in which Sloat Garden Center grants the City and County of San Francisco a non-exclusive easement over property upon which the dog head sign is located for a term up to January 1, 2005; and agreeing to maintain and relocate the dog head sign in San Francisco's Ocean Beach neighborhood.

To Board for consideration on March 20, 2000.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

LITIGATION

Conference with City Attorney

(Convene in Closed Session)

Motion that the Audit and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene to closed session.

000232 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Joanne Yu (in the amount of $38,500) and Mimi Yu (a minor) by her Guardian Ad Litem, Xiao Ping Chen (in the amount of $3,000) against the City and County of San Francisco; the lawsuit was filed on May 6, 1999 in San Francisco entitled Yu, et al., v. City and County of San Francisco, et al. (City Attorney)

(S.F. Superior Court - Unlimited Civil Jurisdiction, Case No. 303-305; filed on May 6, 1999.)

2/2/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000270 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of Yellow Cab Cooperative Inc. v. Board of Appeals, et al., Civil Action No. 995839, by execution of the settlement agreement on file. (City Attorney)

(Civil Action No. 995839; filed on June 17, 1998.)
Supervisor Newsom dissenting in Committee.

2/9/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee

Heard in Committee. Speakers: Ron Wolter, United Taxicab Workers; Mark Gruberg, United Taxicab Workers. To Board for consideration on March 20, 2000.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Noes: 1 - Newsom

000274 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of Luxor Cabs, Inc. v. San Francisco Police Commission, et al., Civil Action No. 995896, by execution of the settlement agreement on file. (City Attorney)

(Civil Action No. 995896; filed on June 18, 1998.)
Supervisor Newsom dissenting in Committee.

2/9/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee

Heard in Committee. Speakers: Ron Wolter, United Taxicab Workers; Mark Gruberg, United Taxicab Workers. To Board for consideration on March 20, 2000.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Noes: 1 - Newsom

000287 **[Settlement of Claim]**

Resolution approving the settlement of unlitigated claim of Patterson Environment Response Trust by payment of $42,989.00. (City Attorney)

(U.S. Environmental Protection Agency's Unilateral Administrative Order No. 98-12A; Claim No. 99-03838; filed on November 30, 1999.)

2/14/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated January 12, 2000 is on file with the Clerk of the Board

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000288 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of Gina Balestrieri against the City and County of San Francisco by payment of $65,000. (City Attorney)

(S. F. Superior Court No. 985-591; filed on March 26, 1997.)

2/14/00. RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated 1/05/000 is on file with the Clerk of the Board

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000300 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of Caryn Lamp ($110,000), Leland Lamp ($1,000), and Mariah Lamp ($4,000) by and through her Guardian Ad Litem against the City and County of San Francisco for a total amount of $115,000. (City Attorney)

(S.F. Superior Court No. 301.009; filed on February 5, 1999.)

2/16/00. RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated 12/21/99 is on file with the Clerk of the Board.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000333 **[Settlement of Lawsuit, Eminent Domain for Moscone Convention Center Expansion Project]**

Supervisor Kaufman

Ordinance authorizing settlement of litigation of City and County of San Francisco against Main Street California, Inc., dba TGI Friday's for $1,694,647.

(Fiscal impact; City and County of San Francisco v. WCB More II Limited Partnership, San Francisco Superior Court No. 997-764; filed September 10, 1998.)

2/22/00. RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Sponsor requests this item be scheduled for the March 7, 2000 meeting.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000334 **[Settlement of Lawsuit, Eminent Domain for Moscone Convention Center Expansion Project]**

Supervisor Kaufman

Ordinance authorizing settlement of litigation of City and County of San Francisco against Chelsea Development Company, LLC et al. for $7,840,667.

(Fiscal impact; City and County of San Francisco v. Chelsea Development Co., LLC et al., San Francisco Superior Court No. 997-765; filed September 10, 1998.)

2/22/00. RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Sponsor requests this item be scheduled for the March 7, 2000 meeting.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

Deputy City Attorney Ted Lakey reported that the Audit and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]
Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Motion approved unanimously.

ADJOURNMENT

The meeting adjourned at 4:40 p.m.

0.043

4/00

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

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March 30, 2000

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: April 4, 2000 Audit and Government Efficiency Committee Meeting

Item 1 – File 99-1517

Note: This hearing was continued from the Audit and Government Efficiency Committee meeting of February 1, 2000

1. This is a hearing to consider the results of the investigative and performance audit of the Public Administrator/Public Guardian's Office.

2. On February 1, 2000, the Audit and Governmental Efficiency Committee requested that the Controller, Board of Supervisors Budget Analyst and the Mayor's Budget Office report back to the Committee on potential reorganizations or reconfiguration of Public Administrator/Guardian and Mental Health Conservator services. The Controller, Board of Supervisors Budget Analyst and the Mayor's Budget Office have reviewed this matter and prepared the attached joint letter to the Audit and Government Efficiency Committee.

MAYOR'S BUDGET OFFICE

BOARD OF SUPERVISORS
BUDGET ANALYST

OFFICE OF THE CONTROLLER

March 29, 2000

Board of Supervisors, Audits and Government Efficiency Committee
Supervisor Barbara Kaufman, Chair
Supervisor Leslie Katz
Supervisor Gavin Newsom
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Aging and Adult Services

Dear Supervisor Kaufman:

On February 1, 2000, the Audit and Governmental Efficiency Committee requested that the Controller, Board of Supervisor's Budget Analyst and the Mayor's Budget Office report back to the Committee on the potential for merging the offices of Public Administrator/Guardian and Mental Health Conservator services.

The Controller had originally made this recommendation in an audit released in the fall of 1999. When the Controller's audit team was conducting their audit, they found that 50 of the 58 counties in California have combined Public Guardian and Mental Health Conservator functions as part of the same agency. The work that is performed, while requiring different skills dealing with mental health issues, is quite similar. In some cases, both offices serve the same clients.

In looking at the recommendation, we found that some counties such as Alameda, Santa Clara and San Mateo have taken the concept further and are forming Aging and Adult Services agencies. The impetus behind this movement is that any single vulnerable adult may need a variety of government services to be able to lead as independent a life as circumstances allow. Clients should not be expected to understand the City government's organizational structure to be able to access the services. For example, in San Francisco, if you have the need for a mental health conservatorship, rep payee services to pay your bills, referrals for food programs and in home support services, you need to interact with four separate agencies of City government. In Alameda County one agency contains all these services. Given the continued aging of San Francisco's population and the services this population may need, we recommend:

1. The Mayor's Budget Office should consider the creation of a Department of Aging and Adult Services as part of the 2000-2001 budget. This new department would initially consist of three existing City units: (1) The Department of Aging, (2) the Public Administrator/ Guardian and (3) DPH's Mental Health Conservator services (please refer to the attached organizational chart). Since the department head position at Aging is vacant, we suggest the responsibilities of this position be changed to assume these wider responsibilities, and, if appropriate, commensurate changes be made in the salary of the position.

2. Since the Department of Aging is relatively new to this discussion, we recommend further deliberations with the department and their commission to determine the feasibility of this proposal.

3. The overall General Fund subsidy for the three existing entities should not increase. For fiscal year 2000-2001, the benefit of this consolidation should be focused on better coordination of services for their client population.

4. By January 1, 2001, the new department should report back to the Committee on outstanding issues, including but not limited to, the following:

    - Should Adult Protective Services or In-Home Support Services (IHSS) be part of this new department?
    - Should Mental Health Conservator and Public Guardian services be combined into one division of the new department?
    - Should a new commission oversee the entire department or should the existing Aging Commission continue to oversee the Aging Services division of this new department?
    - How should legal services be provided to this department?

The initial goal of this new department should be to improve the effectiveness and coordination of services that the City currently provides. We look forward to working with the Committee and various interested parties to explore these recommendations.

Respectfully submitted,

Steve Kawa
Deputy Chief of Staff
Mayor's Office

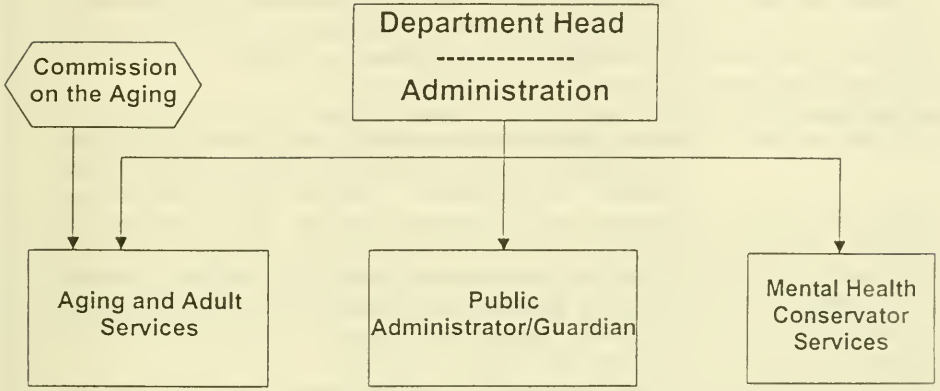
Edward Harrington
Controller

for Harvey M. Rose
Budget Analyst
Board of Supervisors

Attachment

cc: Gloria Young, Clerk of the Board
Ricardo Hernandez, Public Administrator/Guardian
Dr. Mitch Katz, Department of Public Health
Darrick Lam, Commission on the Aging
Bill Lee, City Administrative Officer

Attachment I
Proposed Department of Aging and Adult Services



Memo to Audit and Government Efficiency Committee
April 4, 2000 Audit and Government Efficiency Committee Meeting

Item 4 – File 00-0356

Department: Office of Risk Management

Item: Ordinance amending Part I, Chapter 16 of the San Francisco Municipal Code (Administrative Code) by repealing Article IX, Sections 16.122 through 16.156 (Bonding of City Officers and Employees) and by adding a new Article IX, Sections 16.122 through 16.127, to provide for bonding of City officers and employees.

Description: The subject ordinance would amend Part I, Chapter 16, Article IX of the Administrative Code by streamlining and updating the provisions relating to the bonding of City officers and employees. Article IX of the existing Administration Code provides for three categories of bonds: (1) a $50,000 blanket fidelity bond for all City employees, (2) individual bonds for designated officers, and (3) a $50,000 blanket bond for all other officers not covered by the individual bonds.

Under the subject ordinance, there would be just two categories of bonds. The Treasurer, the Controller, and the Tax Collector would be covered by a faithful performance fidelity bond[1], either individually or on a blanket basis, in the amount of $5,000,000. All other City officers and employees would be covered by a blanket dishonesty bond[2] also in the amount of $5,000,000.

Comments: 1. According to Mr. Thomas Owen of the City Attorney's Office, bonding a local government official is a form of security for the local government employer of that official's faithful performance of his or her duties. The company issuing the bond promises to set aside the specified amount of money to pay for any injuries to the local government employer caused by an official's dishonest act or neglect of duty, according to Mr. Owen.

---

[1] A "faithful performance fidelity bond" covers the local government employer for losses resulting from the failure of its officers or employees to perform the duties of their office.

[2] A "dishonesty bond" covers the local government employer for losses resulting from dishonest acts committed by its officers and employees.

2. Mr. Owen states that the subject ordinance would recognize that the City now has higher liability exposure than it did when bond coverage levels were last revised in 1962 due to the fact that the City now engages in more activities that could generate lawsuits, and the dollar value of court decisions has increased. Mr. Keith Grand of the Office of Risk Management states that the subject ordinance would also reflect changes in the bond industry. Whereas previously the bond industry had been reluctant to participate in a blanket bond approach for large public entities such as the City, this has now changed according to Mr. Grand. The Office of Risk Management can now seek blanket bond coverage, as well as improve the limit and scope of such coverage.

3. The subject ordinance would increase the dollar amount of bond coverage which has not been increased for City employees since 1939, or for City officers since 1962. The subject ordinance would authorize coverage by a blanket "dishonesty bond" of up to $5,000,000 per "occurrence" which, according to Mr. Grand, is usually defined as all loss caused by or involving one or more employees or officers, whether the result of a single act or a series of acts.

4. Mr. Grand states that the subject ordinance would also authorize "faithful performance fidelity bond" coverage of the Treasurer, the Controller, and the Tax Collector, either individually or on a blanket basis, in the amount of $5,000,000[3]. According to Mr. Grand, a faithful performance fidelity bond would provide the Treasurer, the Controller, and the Tax Collector with coverage for a broader range of possible losses than the dishonesty bond which would cover all other City officers and employees. Whereas the proposed dishonesty bond would only cover the City for losses incurred as a result of any of its officers or employees acting dishonestly, the proposed faithful performance fidelity bond would cover the City for losses incurred as a result of its Treasurer, Controller, or Tax

[3] Under the existing ordinance, the Treasurer is bonded for $200,000, the Controller for $100,000, and the Tax Collector for $100,000. A number of other City officers are bonded for between $5,000 and $50,000 each. Under the subject ordinance, the Treasurer, Controller, and Tax Collector would be covered by the proposed faithful performance fidelity bond, while all other City officers would be covered, along with all other City employees, by the proposed blanket dishonesty bond.

Collector acting incompetently, negligently, or dishonestly. The designated officers selected for coverage under the faithful performance fidelity bond handle the largest amounts of money and have a fiduciary responsibility in that respect, according to Mr. Owen.

5. According to Mr. Grand, the current bond premium payable by the City is $27,535 annually[4], of which $5,975 is funded by the General Fund. Mr. Grand estimates that the increased bond coverage authorized by the subject ordinance would increase the City's bond premium to approximately $100,000 annually. Mr. Grand estimates that the General Fund contribution to this increased bond premium would be roughly proportional to the number of employees in General Fund departments versus the number of employees in special fund departments. According to Mr. Grand, premiums are currently funded by workorders from the departments in which the bonded officials are employed. The additional annual premium cost of a blanket bond could be allocated to departments on the basis of the number of employees in each department, according to Mr. Grand.

6. According to Mr. Grand, the City has previously selected, on the basis of a Request for Proposals (RFP) process, two joint venture insurance and bond brokerage firms (comprising both major firms and M/WBE firms) to compete for the placement of all of the City's insurance and bond business during the term of their appointment. By December of 2000, Mr. Grand states that the Office of Risk Management will complete a similar RFP process to choose new brokers for a new term.

Recommendation: Approve the proposed ordinance.

[4] The annual premium cost of $27,535 comprises (a) $5,273 for a Port blanket bond, (b) $13,974 for a Public Utilities Commission blanket bond, (c) $1,500 for a Department of Parking and Traffic blanket bond, (d) $813 for a Parking Authority bond, and (e) $5,975 for 35 other individual public official bonds, all of which would be replaced by the new City-wide blanket coverage.

Memo to the Audit and Government Efficiency Committee
April 4, 2000 Audit and Government Efficiency Committee Meeting

for Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
President Ammiano
Supervisor Becerril
Supervisor Bierman
Supervisor Brown
Supervisor Leno
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Legislative Analyst
Stephen Kawa
Ted Lakey

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Acting Clerk: Donna Hall

Tuesday, April 04, 2000 | **1:00 PM** | **City Hall, Room 263**

Regular Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

Meeting convened.

Meeting convened at 1:00 p.m. Supervisor Katz was noted present at 1:25 p.m.

991517 **[Public Administrator/Public Guardian's Office Performance Audit]**

Supervisor Kaufman

Hearing to consider the results of the investigative and performance audit of the Public Administrator/Public Guardian's Office.

8/2/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. The Chair requests this item be calendared for the September meeting.

9/16/99, CONTINUED. Heard in Committee. Speakers: Ed Harrington, Controller; Ricardo Hernandez, Mental Health Coordinator; Amilla Suno, Health Department. Continued to December 7, 1999

12/7/99, CONTINUED. Heard in Committee. Speakers: Ed Harrington, Controller; Jimmy Lourse; Mr. Hand. Continued to February 1, 2000.

2/1/00, CONTINUED. Heard in Committee. Speakers: Ed Harrington, Controller; James Loyce, Deputy Director, Public Guardian's Office; Keith Jacobson, MD; Selinia Brook; Andy Cole; Richard Tosh esq.; Chester Lababe. Continued to April 4, 2000.

Heard in Committee. Speakers: Ed Harrington, Controller; Male; Darrick Lam, Commission on Aging; Chester Villalba; Richard Heralded, Female; Male, Keith Jacobson.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

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000358 **[Campaign and Governmental Conduct Code]**

Supervisor Kaufman

Ordinance enacting the San Francisco Campaign and Governmental Conduct Code, Articles I - V, to: consolidate City laws regulating election campaigns, lobbying, the conduct of governmental officials and employees, and protection of whistleblowers who report improper government activity; conform these laws to the Charter provisions creating the Ethics Commission; clarify that whistleblowers are protected from retaliation for filing complaints with, providing information to, cooperating with, or participating in a proceeding of the Ethics Commission; clarify the procedures for investigating complaints of improper government activity; clarify that persons who unlawfully retaliate against whistleblowers are subject to administrative penalties as well as possible discipline and civil penalties; provide statutes of limitations; add legislative findings; require that the Ethics Commission submit an annual rather than semiannual report to the Board of Supervisors regarding complaints made by whistleblowers; and repealing Administrative Code Sections 16.5, 16.400 - 16.404, 16.501 - 16.519, 16.520 - 16.531, 16.535 - 16.539, 16.540 - 16.547, 16.548-1 - 16.548-6, 16.980, and 58.1 - 58.600.

(Repeals Adiminstrative Code Sections 16.5, 16.400 - 16.404, 16.501 - 16.519, 16.520 - 16.531, 16.535 - 16.539, 16.540 - 16.547, 16.548-1 - 16.548-6, 16.980, and 58.1 - 58.600.)

2/28/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 3/29/2000. Sponsor requests this matter be considered at the April 4, 2000 meeting.

Heard in Committee: Speaker: Ginny Vida, Ethics Commission.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000355 **[Administrative Code Revision, Chapter 16, Articles VI and X]**

Supervisor Kaufman

Ordinance amending Chapter 16 of the Administrative Code by repealing Article VI (Travel Expenses), Sections 16.94 through 16.95, in its entirety and repealing Article X (Citizens' Award Committee), Sections 16.160 through 16.166, in its entirety.

(Repeals Article VI, Sections 16.94 through 16.95; Article X, Sections 16.160 through 16.166.)

2/28/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 3/29/2000. Sponsor requests this matter be considered at the April 4, 2000 meeting.

Heard in Committee: Thomas Owen, City Attorney Office.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000356 **[Official Bonds]**

Supervisor Kaufman

Ordinance amending Chapter 16 of the Administrative Code by repealing Article IX, Sections 16.222 through 16.156 (Bonding of City officers and employees) and by adding a new Article IX, Sections 16.222 through 16.127, to provide for bonding of City officers and employees.

(Repeals Article IX, Sections 16.222 through 16.156; adds Article IX, Sections 16.222 through 16.127.)

2/28/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 3/29/2000. Sponsor requests this matter be considered at the April 4, 2000 meeting.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000357 **[Administrative Code Revision, Chapters 2A and 16]**

Supervisor Kaufman

Ordinance amending Chapters 2A and 16 of the Administrative Code by adding a new Article XIII to Chapter 2A, and by re-numbering Sections 16.3-3, 16.3-5, 16.3-6, 16.3-7, and 16.3-7.5 (relating to the Public Guardian and the Department of Consumer Assurance, Regulatory Compliance, and Agricultural Standards) as Sections 2A.210, 2A.211, 2A.212, 2A.221, and 2A.220, respectively, and amending them to correct statutory references; by renumbering Section 16.9-15 (relating to the Mayor's roster of officers and employees serving boards, commissions or committees) as new Section 2A.40; and by adding a new Article XIV to Chapter 2A, and by re-numbering Sections 16.951 and 16.952 as Sections 2A.230 and 2A.231, respectively, and by repealing Section 16.953 (all relating to the City Attorney's subpoena power).

(Adds Article XIII to Chapter 2A by re-numbering Sections 16.3-3, 16.3-5, 16.3-6, 16.3-7, and 16.3-7.5; adds Article XIV to Chapter 2A by re-numbering Sections 16.951 and 16.952; repeals Section 16.953.)

2/28/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 3/29/2000. Sponsor requests this matter be considered at the April 4, 2000 meeting.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Katz, Kaufman

000354 **[IHSS Public Authority, Membership of Governing Body]**

Supervisor Kaufman

Ordinance amending Section 70.2 of the San Francisco Administrative Code to clarify the process for replacing city representative on the In-Home Supportive Services Governing Body.

(Amends Section 70.2.)

2/28/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Sponsor requests this matter be considered at the April 4, 2000 meeting.

Amendment of the whole, changing the term Department of Social Services to Department of Human Services.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Chapter 70 of the San Francisco Administrative Code to clarify the process for replacing City representatives on the In-Home Supportive Services Governing Body, and to change the use of "Social" Services to "Human" Services.

(Amends Sections 70.2. and 70.4)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000463 **[Authorizing the City Attorney to enter into 18-month tolling agreement pertaining to a U.S. Environmental Protection Agency Superfund Site]**

Resolution approving the City Attorney's entry into a tolling agreement governing administrative proceeding or suit by the United States Environmental Protection Agency and the Casmalia Resource Site Steering Committee. (City Attorney)

3/15/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated February 23, 2000 is on file with the Clerk of the Board.

Heard in Committee. Speaker: Tad Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

LITIGATION

Conference with City Attorney

(Convene in Closed Session)
Motion that the Audit and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene to closed session.

000465 **[Settlement of Claim against CCSF]**

Resolution approving the settlement of the unlitigated claim filed by One Market Plaza, the Equitable Life Assurance Association of the United States, the International Business Machines Corporation, the IBM Retirement Plan Trust Fund, Chase Manhattan Bank, N.A., as trustee for the IBM Retirement Plan Trust Fund, and One Market Plaza Corporation against San Francisco for $24,098,014.15 adjusted for additional interest after March 31, 2000; claims were filed on various dates between May 12, 1993 and January 19, 1995; additional material terms of said settlement is contingent upon the adoption of stipulated values by the Assessment Appeals Board. (City Attorney)

3/15/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated March 15, 2000 is on file with the Clerk of the Board.

Amendment of the whole regarding tax year and value of property.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution approving the settlement of the unlitigated claim filed by One Market Plaza, the Equitable Life Assurance Association of the United States, the International Business Machines Corporation, the IBM Retirement Plan Trust Fund, Chase Manhattan Bank, N.A., as trustee for the IBM Retirement Plan Trust Fund, and One Market Plaza Corporation against San Francisco for (1) $22,603,656.68 adjusted for additional interest after March 31, 2000, plus (2) an additional $659,306.64 in 1994-95 taxes and interest through March 31, 2000 adjusted for additional interest after March 31, 2000 provided that one of the above-named parties can demonstrate that it paid property taxes on One Market Plaza for the 1994-95 tax year; claims were filed on various dates between May 12, 1993 and January 19, 1995; additional material terms of said settlement is contingent upon adoption of stipulate values by the Assessment Appeals Board. (City Attorney)

Heard in Committee: Speakers: Tad La key, Deputy City Attorney; Patrick Mahoney, Chief Trial Deputy; Michael Mendelson; Wayne Lesser.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000459 **[Settlement of Lawsuit Against CCSF]**

Ordinance authorizing settlement of the lawsuit filed by Utility Cost Management, LLC against the City and County of San Francisco for $176,000 plus interest on any delay in payment beyond May 2, 2000; the lawsuit was filed on March 9, 1999 in San Francisco Superior Court, Case No. 301831, entitled Utility Cost Management LLC, v. City and County of San Francisco. (City Attorney)

3/15/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated March 14, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000460 **[Settlement of Claim, Kitty Yu]**

Resolution approving the settlement of the unlitigated claim filed by Kitty Yu against San Francisco for $112,500; claim was filed on February 10, 2000; additional material term of said settlement is the signing of a release of liability against the City and County of San Francisco. (City Attorney)

(Claim Number 00-02585.)

3/15/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated March 1, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000461 **[Settlement of Claim, Wei Da Yu]**

Resolution approving the settlement of the unlitigated claim filed by Wei Da Yu against San Francisco for $87,500; claim was filed on February 3, 2000; additional material term of said settlement is the signing of a release of liability against the City and County of San Francisco. (City Attorney)

(Claim Number 00-02527.)

3/15/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated March 1, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000462 **[Settlement of Lawsuit, Linda Laue]**

Ordinance authorizing settlement of the lawsuit filed by Linda Laue against the City and County of San Francisco by payment of $32,000; the lawsuit was filed on March 30, 1998 in San Francisco Superior Court, Case No. 993-960; entitled Linda Laue v. City and County of San Francisco. (City Attorney)

3/15/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated November 18, 1999 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000471 **[Settlement of Lawsuit]**

Supervisor Kaufman

Ordinance authorizing settlement of litigation of City and County of San Francisco against Chevy's, Inc. for $3,830,125.

(S.F. Superior Court No. 997-764; date filed, September 10, 1998.)

3/20/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000518 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Ji Xin Pan, Madalyn Wong; Satorina Pan; Kristie Pan and Jamie Pan, all minors, by and through their Guardian Ad Litem, Ji Xin Pan against the City and County of San Francisco by payment of Two Hundred Fifty Thousand Dollars ($250,000); the lawsuit was filed on December 3, 1998 in Superior Court Case No. 999-633; entitled Ji Xin Pan, et al., v. City and County of San Francisco, et al. (City Attorney)

3/22/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000525 **[Settlement of Litigation]**

Ordinance authorizing settlement of litigation by the City and County of San Francisco against Edward Miron, Executor of the Estate of Linda Miron, deceased by accepting the total amount of $32,345.44 and directing its attorney to sign the mutual settlement and release and dismissal with prejudice of CCSF v. Edward Miron, Executor. (Treasurer-Tax Collector)

(S.F. Superior Court No. 303448; filed May 12, 1999.)

3/24/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Department requests this matter be calendared at the April 4, 2000 meeting.

Heard in Committee: Speaker: Ayisha Benham, Deputy Tax Administrator.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

Deputy City Attorney Ted Lakey reported that the Audit and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

ADJOURNMENT

The meeting adjourned at 3:20 p.m.

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

May 2 2000

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: May 2, 2000 Audit and Government Efficiency Committee Meeting

Item 1 – File 00-0572

Item: Hearing to consider claims of employees, various departments, for reimbursement of personal property damaged and/or stolen in the line of duty.

Description: Section 10.25-8 of the City's Administrative Code authorizes the Controller, subject to approval of the Board of Supervisors, to provide reimbursement to non-uniformed City employees to enable the employee to recover all or part of their costs of replacing or repairing equipment or property that has been damaged or stolen in the line of duty without the fault of the City employee if such loss exceeds $1,000, when (1) a verified claim is filed, (2) the department head certifies to the Controller that the damage or theft occurred in the line of duty and the amount certified for payment is fair and reasonable, (3) the damage or theft occurred without fault of the employee and was occasioned by unusual circumstances, (4) the Controller concurs with the department head's certification, and (5) funds are available for such purpose.

In response to one claim filed by one employee of the Emergency Communications Department (ECD), Mr. Mike Martin, the acting Director of ECD, certified that the damage to the employee's vehicle occurred in the line of duty, was not the fault of the employee and recommended a reimbursement payment of $1,594.57 as being fair and reasonable.

According to Mr. Joseph Matranga of the Controller's Office, the Controller's Office concurs with the subject claim submitted by the Emergency Communications Department; a resolution recommending full reimbursement for this claim is being prepared by the Controller's Office. Mr. Matranga notes that funds are available for the proposed reimbursement from the FY 1999-2000 operating budget of the Emergency Communications Department.

Comment:

The Budget Analyst notes that on December 30, 1997, the Board of Supervisors approved an ordinance (Ordinance No. 478-97) permitting the Controller to pay employee claims that are less than $1,000, without requiring Board of Supervisors approval, if the claim is certified by the Department head as being fair and reasonable and occurring in the line of duty and if sufficient funds are available.

Recommendation:

Prepare in and report out a resolution authorizing payment of the subject claim, as recommended by the Controller.

Item 2 – File 00-0722

Department: Civil Service Commission

Item: Motion approving an amendment to the Rules of the Civil Service Commission to allow City employees to use sick leave care for a sick parent, spouse, or domestic partner.

Description: The subject motion would approve an amendment to the Rules of the Civil Service Commission to harmonize new California State law with City policy regarding sick leave. A new State law, effective January 1, 2000, requires public and private employers to allow employees to use up to one half of their accrued sick leave earned in one year to attend to the illness of a child, parent or spouse of the employee.

The proposed motion would amend the Civil Service Commission Rules for sick leave to include and extend the provisions beyond this new State law. The City already allows employees to use *all* of their accrued sick leave to care for a child.[1] The proposed motion would amend the Civil Service Commission Rules to allow City employees to also use *all* of their accrued sick leave (instead of half of their accrued sick leave earned in one year, as stipulated in the State law) to attend to a parent, spouse, or registered domestic partner. Including registered domestic partners in the subject amendment is consistent with City policy.

According to Ms. Kate Favetti of the Civil Service Commission, the City allows City employees a total of 13 paid sick days a year, with a total maximum of 1,040 accrued hours of sick leave (or 130 days).[2]

---

[1] Since 1991, the Civil Service Commission Rules have allowed City employees to use all accrued sick leave to cover the illness, injury, or medical appointment of a biological or adoptive child, or a child for whom the employee has parenting or child rearing responsibilities. In addition, since 1993, City contracts with the Service Employees International Union (SEIU) and the International Federation of Professional and Technical Employees (Local 21) allow these represented employees to use all accrued paid sick leave to care for a dependant adult.

[2] According to Ms. Favetti, the Civil Service Commission Rules state that all paid sick leave is subject to approval by the employee's supervisor and department head/designee.

Comments:

1. According to Ms. Favetti, although the proposed amendment would not increase the number of days of sick leave for City employees, the proposed motion would expand the definition for use of such sick leave. However, Ms. Favetti advises that many City employees already use other options for taking leave from work to care for parents, spouses or domestic partners. These options include compensatory time off, vacation, floating holidays, and unpaid leave.

2. Therefore, Ms. Favetti advises that it would be difficult to calculate the added cost to the City of the subject amendments to the Civil Service Commission Rules regarding paid sick leave. The proposed motion to allow City employees to use paid sick leave to attend to a parent, spouse or registered domestic partner, in addition to the current rules allowing sick leave to care for a child, could increase the number of days City employees use their accrued paid sick leave, thus resulting in employees taking more sick leave and causing a loss of productivity to the City or additional expenditures if employees in critical positions taking such leave have to be replaced by Departments. However, Ms. Favetti was unable to estimate how much additional sick leave employees would use, and therefore unable to quantify any subsequent increased loss in productivity or increased expenditures.

Recommendation:

Approval of the proposed motion is a policy matter for the Board of Supervisors.

Deba C. Kaussen
for Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
Clerk of the Board
Controller
Stephen Kawa

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City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Michael Yaki

Acting Clerk: Donna Hall

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Tuesday, May 02, 2000 | **1:00 PM** | **City Hall, Room 263**

Members Present: Barbara Kaufman, Gavin Newsom, Michael Yaki.

Meeting convened.

Meeting convened at 1:20 p.m. Supervisor Newsom was noted present at 1:40 p.m.

000572 **[Reimbursement to Employees - First Quarter, 2000]**

Hearing to consider claims of employees, various departments, for reimbursement of personal property damaged/stolen in the line of duty. (January/February/March)

3/30/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. 3/30/00 - From Emergency Communications Department, Glenn de Castro, repair costs of damaged Ford F350 Crew Cab 1994 Model - $1,594.57.

Heard in Committee. Speaker: Joe Matranga, Controller's Office.

PREPARED IN COMMITTEE AS A RESOLUTION.

Resolution authorizing reimbursement for cost of personal property of City and County employees damaged/stolen in the line of duty. (January/February/March)

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Yaki
Absent: 1 - Newsom

000722 **[Civil Service Rule Change - Sick Leave]**

Supervisors Kaufman, Newsom, Leno

Motion approving an amendment to the Rules of the Civil Service Commission to allow City employees to use sick leave care for a sick parent, spouse, or domestic partner.

4/17/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Kate Favetti, Civil Service Commission.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Yaki
Absent: 1 - Newsom

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000533 **[Administrative Code - Civil Service Commission]**

Supervisor Kaufman

Ordinance amending Chapter 16, Article III, of Part I of the San Francisco Municipal Code (Administrative Code), be repealing Sections 16.17 and 16.17-1, regarding Board of Supervisors' approval of Civil Service Commission rules regarding leaves due to sickness and disability.

(Repeals Sections 16.17 and 16.17-1; companion measure to File 000561.)

3/27/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 4/26/2000.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Yaki
Absent: 1 - Newsom

000561 **[Civil Service Rules]**

Supervisor Kaufman

Motion approving Civil Service Commission Rules for employee leaves of absence due to illness or disability.

(Companion measure to File 000533.)

3/27/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Yaki
Absent: 1 - Newsom

000537 **[Administrative Code - Commission on Status of Women]**

Supervisor Kaufman

Ordinance amending Chapter 33, of Part I of the San Francisco Municipal Code (Administrative Code), by amending Section 33.4 to require the Commission on the Status of Women to coordinate the City's efforts to establish a comprehensive response to violence against women and girls and by amending Section 33.7 to require all departments to make quarterly reports regarding complaints of gender discrimination filed by their employees to the Human Resources Department and to require the Human Resources Department to compile and report on those complaints quarterly to the Commission on the Status of Women.

(Amends Sections 33.4 and 33.7.)

3/27/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 4/26/2000.

4/10/00, SUBSTITUTED. Supervisor Kaufman submitted a substitute ordinance bearing new title.

4/10/00, ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Sonia Melara, Executive Director, Department on the Status of Women.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Yaki

000534 **[Administrative Code - Workers' Compensation Task Force]**

Supervisor Kaufman

Ordinance amending Chapter 1 and Chapter 16, Article IV, of Part I of the San Francisco Municipal Code (Administrative Code), by repealing Sections 16.83-1, 16.83-3, and 16-83-4, regarding the Workers' Compensation Task Force, and renumbering Section 16.83-2 as Section 1.57.

(Repeals Sections 16.83-1, 16.83-3, and 16-83-4; renumbering Section 16.83-2 as Section 1.57.)

3/27/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 4/26/2000.

Speakers: None. Amendment of the whole bearing new title.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Chapter 1 and Chapter 16, Article IV, of Part I of the San Francisco Municipal Code (Administrative Code), by repealing Sections 16.83-1, 16.83-3, and 16-83-4, regarding the Workers' Compensation Task Force, and renumbering Section 16.83-2 as Section 2A.31.

(Repeals Sections 16.83-1, 16.83-3, and 16-83-4; renumbering Section 16.83-2 as Section 2A.31.)

Speakers: None

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Yaki

000535 **[Administrative Code - Employee Suggestion Program]**

Supervisor Kaufman

Ordinance amending Chapter 16 of Part I of the San Francisco Municipal Code (Administrative Code), by repealing Article VIII, Sections 16.108 through 16.117, establishing an employee suggestion program.

(Repeals Sections 16.108 through 16.117.)

3/27/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 4/26/2000.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Yaki

000536 **[Administrative Code - Employee Benefit Cafeteria Plan]**

Supervisor Kaufman

Ordinance amending Chapter 16 of Part I of the San Francisco Municipal Code (Administrative Code), by amending Sections 16.900, 16.902, 16.903, 16.904, and 16.906, to update provisions dealing with employee benefit cafeteria plans.

(Amends Sections 16.900, 16.902, 16.903, 16.904, and 16.906.)

3/27/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 4/26/2000.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Yaki

000538 **[Administrative Code - Victim-Witness Assistance Program]**

Supervisor Kaufman

Ordinance amending Articles 36 and 36A of the San Francisco Municipal Code (Administrative Code), by deleting Article 36, Sections 36.1 through 36.7, and Article 36A, Sections 36A.1 through 36A.3 and amending San Francisco Administrative Code Section 2A.70 to include in the duties of the Office of the District Attorney a Victim-Witness Assistance Program.

(Amends Section 2A.70.; deletes Sections 36.1 through 36.7, and Sections 36A.1 through 36A.3.)

3/27/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 4/26/2000.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Yaki

000539 **[Administrative Code - Southeast Community Facility Commission]**

Supervisor Kaufman

Ordinance Chapter 54 of Part I of the San Francisco Municipal Code (Administrative Code), governing the Southeast Community Facility Commission, by amending Section 54.2 and repealing Section 54.5, to eliminate out-dated and obsolete provisions.

(Amends Section 54.2; repeals Section 54.5.)

3/27/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 4/26/2000.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Yaki

LITIGATION

Conference with City Attorney

(Convene in Closed Session)

Motion that the Audit and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene to closed session.

000563 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of lawsuit filed by Raymond O's. Kelly and Elise M. Kelley against the City and County of San Francisco for $60,000; the lawsuit was filed on June 22, 1998 in Superior Court Unlimited Jurisdiction, Case No. 980-740; entitled Yee v. City and County of San Francisco; other material terms of said settlement are case will be dismissed with prejudice. Plaintiff will release City from all known and unknown related claims. (City Attorney)

3/28/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Yaki

000612 **[Settlement of Claim]**

Resolution approving the settlement of the unlitigated claim filed by Robert McCrady against San Francisco for $37,500; claim was filed on August 12, 1999; additional material term of said settlement is the release of the City and County of San Francisco by claimant from all liabilities. (City Attorney)

(Claim No. 00-00504.)

4/5/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Yaki

000614 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Jane B. Silver against the City and County of San Francisco for $45,000; the lawsuit was filed on June 30, 1998 in Superior Court Unlimited Jurisdiction, Case No. 980-740; entitled Yee v. City and County of San Francisco (and consolidated actions); other material terms of said settlement are case will be dismissed with prejudice; plaintiff will release City from all known and unknown related claims. (City Attorney)

(Jane B. Silver v. City and County of San Francisco, San Francisco Superior Court Case No. 996-166 consolidated with Yee v. City and County of San Francisco, Superior Court No. 9810-740;)
(Dennis G. Liebenson v. City and County of San Francisco, et al., San Francisco Superior Court Case No. 996-432 consolidated with Yee v. City and County of San Francisco, Superior Court No. 980-740.)

4/5/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Yaki

000620 **[Approving Stay of Proceedings - Fremont Investors, Inc. v. CCSF]**

Resolution approving agreement to stay proceedings in Fremont Investors, Inc., et al. v. City and County of San Francisco (Superior Court No.; filed January 6, 2000). (City Attorney)

4/6/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated March 31, 2000 is on file with the Clerk of the Board.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Yaki

000668 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of City and County of San Francisco against WCB II More Limited Partnership for $2,930,852.98. (City Attorney)

(S.F. Superior Court No. 997-764; filed September 10, 1998)

4/12/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated April 11, 2000 is on file with the Clerk of the Board.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Yaki

000681 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by San Franciscans for Sensible Government, San Franciscans for Sensible Government Political Action Committee, and Kathleen Harrington against the City and County of San Francisco and Louise Renne in her official capacity as City Attorney to enjoin application of the $500 contribution limits to committees that make only independent expenditures; the lawsuit was filed on May 24, 1999 in the United States District Court for the Northern District of California, Case No. C99-2346 CW; entitled San Franciscans for Sensible Government, et al. v. City and County of San Francisco, et al.; the material terms of said agreement are that the City will not enforce current Section 16.508 of the Campaign Finance Reform Ordinance with respect to contributions to committees that make only independent expenditures, that the plaintiffs waive attorney fees and costs and each party bears its own attorney fees and costs, and that the judgment entered by stipulation of the parties will not have preclusive effect in litigation over any future legislation adopted by the City and County of San Francisco. (City Attorney)

4/12/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated April 12, 2000 is on file with the Clerk of the Board.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Yaki

000682 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Clinton Reilly, Clinton Reilly for Mayor and Fred A. Rodriguez, against the City and County of San Francisco and Louise Renne in her official capacity as City Attorney to enjoin variable contribution limit in the Campaign Finance Reform Ordinance; the lawsuit was filed on September 29, 1999 in the United States District Court for the Northern District of California, Case No. C99-4395 CW; entitled Clinton Reilly, et al., v. City and County of San Francisco, et al.; the material terms of said settlement are that the parties will abide by the decision in California Prolife Council Political Action Committee v. Jan Scully, No. CIV.2-96-1965/LKK (E.D. Cal.) on the constitutionality of the variable contribution limits enacted by the State of California, that pending the final decision in Scully the preliminary injunction entered Reilly v. Renne will remain in effect, that the plaintiffs waive attorney fees and costs and each party bears its own attorney fees and costs, and that the judgment entered by stipulation of the parties will not have preclusive effect in any future litigation. (City Attorney)

4/12/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated April 12, 2000 is on file with the Clerk of the Board.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Yaki

000699 **[Settlement of Claim]**

Supervisor Kaufman

Resolution approving the settlement of the unlitigated claim filed by San Francisco against the Pacific Gas and Electric Company (PG&E) for $1.1 Million Dollars and No Cents ($1,100,000); additional material terms of said settlement are the parties agree to continue in good faith their discussions regarding corrective actions which may be appropriate to improve the reliability of PG&E's electric service to San Francisco.

4/17/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated April 17, 2000 is on file with the Clerk of the Board.

Deputy City Attorney Tom Owen reported that the Audit and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose deliberations.

ADJOURNMENT

The meeting adjourned at 3:10 p.m.

0.043
6/00

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

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June 2, 2000

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: June 6, 2000 Audit and Government Efficiency Committee Meeting

Item 1 – File 99-1150

Note: This item was continued from the Audit and Government Efficiency meeting of February 1, 2000.

1. This is a hearing to consider the status of workers' compensation claims at the Municipal Railway and to discuss what steps Muni is taking to curb abuses of such workers' compensation claims.

2. The Controller's Office reports that Muni expended $20,198,878 for workers' compensation claims in Fiscal Year 1998-99. That level of expenditure was $4,150,878 or 25.9 percent more than the original FY 1998-99 Muni workers' compensation budget of $16,048,000. The Fiscal Year 1999-2000 budget for Muni workers' compensation claims is $18,800,000 which is $1,398,878 or 6.9 percent less than Fiscal Year 1998-99 expenditures of $20,198,878.

3. According to Mr. Jeff Gary, Workers' Compensation Manager for the Department of Public Transportation (DPT), the Muni will make a presentation to the Audit and Government Efficiency Committee at its June 6, 2000 meeting. The presentation will provide the Committee with updated information on steps implemented by Muni to improve management and cost control of workers' compensation claims. Mr. Gary reports that the DPT will also provide the Audit and Government Efficiency Committee with a projected annual workers' compensation expenditure estimate for FY 1999-2000 based on the first ten months of the Fiscal Year.

Comments

1. As reported previously to the Audit and Government Efficiency Committee, the Mayor previously announced budgetary incentives for controlling workers' compensation costs. Departments who expend less than their FY 1999-2000 budget for Workers Compensation will be allowed to "re-program" such savings for other Departmental spending priorities.

2. The Controller's Nine-Month Budget Status Report, issued May 5, 2000 included an updated projection of Muni's Workers' Compensation expenditures for FY 1999-2000 of $20,285,000 or $1,485,000 more than the budgeted amount of $18,800,000. According to Mr. Gary, the Muni will provide an updated estimate based on ten months of the 1999-2000 Fiscal Year to the Audit and Government Efficiency Committee at its meeting of June 6, 2000. Mr. Gary states that recent projections indicate that Muni's workers' compensation expenditures for FY 1999-2000 are somewhat less than the Controller's Nine-Month budget Status Report estimate.

Item 3 - File 00-0861

Department: Human Rights Commission (HRC)

Item: Ordinance amending Subsection 12D.A.9 (A)(5) and adding Subsection 12D.A.10 (C) of the San Francisco Administrative Code to replace former Section 6.20-2, to extend the term of the Bonding and Financial Assistance Program until June 30, 2005, to authorize additional funding sources for the program, and to provide for decertification in the event of default.

Description: In April of 1994, the Board of Supervisors approved an ordinance adding Section 6.20-2 to the Administrative Code to establish a Bonding Assistance Program for certified Minority Business Enterprise (MBE) construction firms and Women Business Enterprise (WBE) construction firms. Under this Bonding Assistance Program, the Human Rights Commission, acting on behalf of the City, provided guarantees to private bonding companies so that these companies could issue surety bonds to MBE and WBE firms who otherwise would not be able to obtain surety bonds or whose bonding capacity was inadequate. The premium for the bond would be paid by the MBE/WBE firms to the private bonding companies. In general, a bonding company that issues a surety bond to a contractor is insuring a project to be completed by that contractor and agreeing to be responsible for any defaults, damages, or obligations that are not met. Under the Bonding Assistance Program, a bonding company would issue a surety bond to the City contractor in the amount of the contractor's bid. If the contractor failed to perform according to the terms of the contract, the surety bond company would be required to pay to the City all related damages up to the full amount of the contract, less the amount of the surety guarantee initially provided by the City.

Originally, the Bonding Assistance Program was available for City publicly-financed construction contracts for which bonding requirements were imposed by State or City law and for which the total estimated contract price did not exceed $2 million. The Board of Supervisors appropriated an initial total of $500,000 for providing surety bond guarantees.

In 1997, the Board amended Administrative Code Section 6.20-2 to expand the Bonding Assistance Program to provide bonding assistance, as well as financial assistance, to MBE, WBE, and Local Business Enterprise (LBE) firms bidding for City construction projects. The program was renamed the Bonding and Financial Assistance Program. The Amendments in 1997 also made financial and bonding assistance available to more businesses by eliminating the criteria that eligible contractors must be both a prime contractor and an MBE/WBE/LBE firm. Instead, the definition of eligible contractors became: (1) a prime construction contractor or subcontractor; and (2) certification by the Human Rights Commission as an MBE, WBE, or LBE.

The expanded financial assistance provided under the 1997 amendments included City loan guarantees to financial institutions for construction contract loans made to eligible contractors, in addition to providing guarantees to private surety bond companies. The 1997 Amendments to Section 6.20-2 established a Surety and Loan Guarantee Fund to provide collateral to secure such surety bonds and working capital loans. According to Ms. Virginia Harmon of the HRC, of the $500,000 the Board of Supervisors originally appropriated to the program upon its creation in 1994 to provide surety bond guarantees, $350,000 was not expended as of 1997 and was then transferred into the new Surety and Loan Guarantee Fund. As of the writing of this report, the HRC was unable to provide an itemized budget for the $150,000 expended by the Bonding Assistance Program between 1994 and 1997, as stated in Attachment VI, provided by the HRC.

Currently, the City provides guarantees for eligible MBE/WBE/LBE contractors of up to 40 percent of the face amount of the surety bond or up to $750,000 for each bond, whichever is less. Although the maximum guarantee allowable is 40 percent of the bond amount, or up to $750,000, Ms. Harmon reports that the average guarantee issued since the program initiation has been less than 25 percent of the bond amount, or an average guarantee of $58,770. Additionally, the City provides guarantees for eligible MBE/WBE/LBE contractors of up to 50 percent of the original principal amount of construction loans or 50 percent of the actual loss suffered by the financial institution as a

result of a loan default, whichever is less, with the maximum loan guarantee not to exceed $750,000 for each loan. There is no maximum cap set on the amount the City can guarantee under the Bonding and Financial Assistance Program, although the total fund balance in the Surety and Loan Guarantee Fund is currently estimated to be approximately $350,000, according to Ms. Harmon.

Proposed Changes

The Bonding and Financial Assistance Program under the existing provisions of the Administrative Code Section 6.20-2 will expire on June 30, 2000. The proposed ordinance would amend the Administrative Code to extend the term of the program for five years, or until June 30, 2005.

The proposed ordinance would also authorize additional funding sources for the Surety and Loan Guarantee Fund from individual City departments engaging in public works projects, on a project-by-project basis. These departments would be required to commit to the Surety and Loan Guarantee Fund between one and ten percent of the budget for every public works project to fund a project-specific guarantee pool. Each City department would be required to establish this allocation, using existing budgeted funds, before issuing Invitations to Bid for each project. The percent level of contribution would be determined on a project-by-project basis, as explained in Attachment I, provided by the HRC. According to Ms. Harmon, participating City departments would include this allocation reserved for the Surety and Loan Guarantee Fund in its budget for the particular construction project. The department allocation would only be leveraged if the MBE/WBE/LBE firm receiving a bond or loan guarantee was actually awarded the construction contract. If the MBE/WBE/LBE did not receive the contract, the department allocation to the Surety and Loan Guarantee Fund would be released for the department.

In cases when the MBE/WBE/LBE firm is awarded the construction contract and that firm does not default on its obligations, the funds reserved for the project in the Surety and Loan Guarantee Fund would be released from allocation after the project was completed. Ms. Harmon advises that in the event of a default, where the HRC has issued a

guarantee, the Treasurer's Office would access the funds within the Surety and Loan Guarantee specifically allocated to the defaulted project to satisfy the guarantee. Ms. Harmon states that no additional City General Fund monies would be used. The Budget Analyst notes that these contributions from City Departments will likely increase the costs of applicable public works projects by the amount of the required allocation to the Surety and Loan Guarantee Fund. Although Ms. Harmon advises that the allocation would only be paid to the surety bond company if the construction contractor defaulted, the Budget Analyst notes that the additional amount of between one and ten percent of public works projects would have to be appropriated and set aside for that project.

The existing ordinance allows HRC to receive private contributions donated to the Surety and Loan Guarantee Fund. However, Ms. Harmon advises that HRC has never elected to solicit or receive any private contributions for the subject program. The proposed ordinance would eliminate the HRC's option to receive private contributions. Ms. Harmon advises that the HRC requested this change in order to avoid any perceived conflict of interest between the HRC and private contractors.

In addition, under the proposed ordinance, the Treasurer would be authorized to negotiate for lines of credit or other financial products to support the Bonding and Financial Assistance Program, using the program's guarantee pool as collateral. Ms. Harmon advises that these lines of credit would be used to secure the bond or loan guarantees for participating contractors.

The subject ordinance would also require that any MBE/WBE/LBE firms that default on any bond or loan guarantees issued by HRC lose their MBE/WBE/LBE certification. Attachment II, provided by the Human Rights Commission (HRC) explains how the proposed changes to the Bonding and Financial Assistance Program would affect the City and the Surety and Loan Guarantee Fund.

Comments:

1. According to Ms. Harmon, the Bonding and Financial Assistance Program would continue to be administered by the Human Rights Commission. Ms. Harmon states that the

administrative costs of the program would be funded through the Human Rights Commission (HRC) work order fund, supported by participating City departments with capital improvement projects. Under the HRC's work order fund, each department negotiates a cost for direct services from HRC depending on the department's number of applicable contracts. According to Ms. Harmon, and as stated in Attachment IV, the HRC has budgeted $336,400, the same amount budgeted for Fiscal Year 1999-2000, to administer the program in Fiscal Year 2000-2001, contributed by the following City departments:

Projected Source of Funding	Amount
Port	$50,700
Public Utilities Commission	50,000
Department of Public Works	50,700
Municipal Railway	50,000
Purchasing	20,000
Recreation and Park	50,000
Redevelopment Agency	65,000
TOTAL	**$336,400**

2. According to Ms. Harmon, since 1997, the HRC has hired the private contractor, Merriwether & Williams Insurance Services, to administer the Bonding and Financial Assistance Program. The annual payment to Merriwether & Williams totals $336,400, which includes all fees required for processing the bond guarantees.

3. The Budget Analyst notes that administrative costs for the Bonding and Financial Assistance Program from Fiscal Year 1997-1998 through Fiscal Year 1999-2000 have totaled $784,104 including $336,400 for FY 1999-2000 (see Attachment VI, provided by the HRC, for FY 1997-98 and 1998-99 data). As previously stated, the HRC has budgeted an additional $336,400 to administer the program in FY 2000-2001. Ms. Harmon advises that these costs include the fees required for processing the bond and loan guarantees, which are based on the number of guarantees issued and the value of those guarantees. Therefore, according to Ms. Harmon, if the proposed ordinance is approved, which would result in City departments being required to contribute one to ten percent of their public works projects to the Surety and

Loan Guarantee Fund, then the existing program will expand and the associated administrative costs are likely to increase in proportion. Ms. Harmon anticipates that expansion of the program would increase administrative costs during Fiscal Year 2000-2001 by an estimated $263,600, from the budgeted amount of $336,400 to $600,000 annually. According to Ms. Harmon, these increased costs would be funded by the different City Departments participating in the Bonding and Financial Assistance Program. The Budget Analyst notes that this increase of $236,600 is currently not included the HRC's Fiscal Year 2000-2001 budget.

4. Ms. Harmon reports that since the current Bonding and Financial Assistance Program was first initiated in 1997, the HRC has approved a total of ten surety bond guarantees for a total of $979,871, for contract bids valued at a total of $11,140,447. Of the ten bond guarantees approved, Ms. Harmon reports that six different contractors were the successful low bidders and secured a total of $7,422,304 in contract awards, assisted by a total of $349,619 in surety bond guarantees provided by the HRC. Ms. Harmon advises that, to date, no bond defaults have occurred. According to Ms. Harmon, the HRC has not issued any loan guarantees due to the lack of guarantee funds. (See Attachment III, provided by the HRC, for additional details).

5. Attachment IV, provided by the HRC, lists the construction projects that have been approved for surety bond guarantees under the Bonding and Financial Assistance Program since 1997.

6. Ms. Harmon advises that the Bonding and Financial Assistance Program is modeled after a program operated by the Airport since 1994, as stated in Attachment V, provided by the HRC.

7. In summary, the Budget Analyst notes that: (1) the subject ordinance extends the Bonding and Financial Assistance Program, administered by the HRC, for five years, until June 30, 2005; and (2) the subject ordinance also expands this program to require City departments undertaking public works projects to allocate between one and ten percent of the cost of each project to the Surety and Loan Guarantee Fund.

However, the Budget Analyst notes that this latter provision in the proposed ordinance would require City departments to set aside additional budgeted funds for public works projects. Further, the Budget Analyst notes that the HRC anticipates that administrative costs for the Bonding and Financial Assistance Program will increase as the program expands, by an estimated $236,600 in Fiscal Year 2000-2001, according to Ms. Harmon. These additional funds are not included in the HRC's Fiscal Year 2000-2001 budget.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Attachment I

The following represents the methodology to be used to determine the appropriate allocation of project funds to be used to fund the guarantee pool.

The appropriate percentages will be determined on a department by department, project by project basis. Each department will meet with the HRC and the program administrator to establish the guarantee percentage to be applied to the department's individual projects using the following criteria:

1) Source and flexibility of funding. – This will recognize when state or federal dollars are involved and in general, the funding capacity for the project.
2) Size of the project. – Larger projects would likely need smaller percentages of guarantee funding.
3) Scope of work. – Some public works projects are more accessible to MBE/WBE contractors due to the scope of work to be performed. Establishing an adequate fund for these projects can maximize these opportunities.
4) Participation Goal – MBE WBE participation goals may vary on a project by project basis depending on sources of funding or department policy.

Only in the event of a bond or loan default will the established project fund be accessed to cover a guarantee. The liability will be limited to the guaranteed portion (percentage) of the default amount. The liability associated with a specific guarantee will decline during the period of the contract as the contractor progresses in the contract. Where loan guarantees have been issued, the periodic payments against the loan reduce the outstanding liability.

In the event of a default where a guarantee has been issued and all other alternative remedies have been exhausted, the Treasurer's office will access the project funds allocated for the guarantee fund to satisfy the guarantee. No funds from the City's general funds will be utilized.

Since the current programs initiation in 1997 with Merriwether & Williams as the program administrator, no bond defaults have occurred. No loan guarantees have been issued due to the lack of guarantee funds. An identical program has been in effect at the San Francisco International Airport since 1995, also administered by Merriwether & Williams, and no defaults have occurred within the Airports program. The Airport program has a significant bond and loan guarantee pool, to date the program has supported 15 MBE WBE contractors with 64 transactions, resulting in $18,422,741 in awarded contracts utilizing $4,306,116 in bond and loan guarantees, again with no bond or loan defaults to date.

Source: Human Rights Commission

Attachment (Continued)

The program uses a number of measurers to mitigate risk of losses. These include:

1) A thorough assessment of each contractors ability to perform successfully on the contract
2) Implementation of third party funds administration. This ensures contract proceeds are disseminated timely to sub-contractors, material suppliers, or a credit provider where a loan has been supported via a guarantee
3) The source of funds to repay any supported loans comes directly from the contractors project proceeds, this in itself reduces the risk of the loan defaulting
4) Ongoing communication and monitoring of the contractors performance with the contractor and department project managers. Potential problems realized early can be avoided or intervened with proper action
5) In the event of a default, alternative remedies may be applicable to resolve the default i.e. contractors are required to provide personal guarantees and/or assign receivables which may be attached first in a default situation.
6) With the proposed ordinance changes, the HRC would have the ability of de-certifying the contractor following an unresolved default situation. This will further motivate the contractor to avoid a default by any means necessary

ATTACHMENT II

The proposed changes to the Citywide Bonding and Financial Assistance program as outlined in the attached will affect the City and the Surety and Loan Guarantee Fund in the following ways:

- With the additional funding for bond and loan guarantees from the participating departments, the City will be in a position to assist a greater number of MBE WBE contractors, many of which have been turned away in the past due to a lack of available guarantee funds. The program activity (see attached report) has already proven that when the barriers of bonding and financing are eliminated, MBE/WBE firms can compete successfully on City contracts. MBE/WBE firms who participated in the program were successful in 70% of the contracts they pursued with participating departments.

- The City will be able to enhance the program services to include financing assistance not available in the past. With this enhancement both construction contractors as well as other types of small, MBE/WBE contractors can obtain assistance.

- With the substantial amount of upcoming contracting opportunities throughout the City, the expanded program will ensure equal access to these opportunities by the City's MBE/WBE firms.

- The HRC with the program administrator will have the opportunity to work more closely with each City participating department. Once the guarantee funds for each department/project are established, the departments will be interfacing on a regular basis with the HRC and the program administrator. Greater MBE/WBE outreach efforts will take place and departments should have greater success with their participation goals on each project. With a closer working relationship between the departments and the HRC, and its' program administrator, any problems which arise with the program or a particular MBE/WBE contractor can be resolved quickly.

- It has been established that the Bonding and Finance assistance program can save contracting dollars by eliminating the obstacles to bid for MBE/WBE and even LBE contractors. With a larger pool of contractors able to bid and compete on the City's public works contracts, contract savings can be realized. With the expanded funding of the program, the City can begin to gain this economic advantage in addition to supporting our local MBE/WBE and LBE firms.

Source: Human Rights Commissi

ATTACHMENT III

(1) The number of firms for which the City has provided surety bond guarantees since July 1, 1997 and a total dollar amount of these guarantees:

10 firms to date have received surety bond guarantees since July 1, 1997. The total amount of these guarantees approved was $979,871. (See attached activity report) This $979,871 in guarantees enabled these 10 MBE/WBE contractors to bid on $11,140,447 in contracts. These contractors were the successful low bidder on $7,422,304 of the $11,140,447 bid, or roughly 70%. The final guarantees issued which coincided with the awarded bids were $349,619.

To summarize, the Citywide Bonding Program leveraged $349,619 in bond guarantees, to secure $7,422,304 in contracts to successful MBE/WBE firms.

(2) Total number of firms which surety bond companies have had to pay damages Since July 1, 1997 and resulting costs to the City:

There have been no bond claims to sureties or subsequent losses to the City since the program began in July 1997.

(3) The number of firms for which the City has provided loan guarantees since July 1, 1997 and a total dollar amount of these guarantees.

Due to insufficient funds in the program guarantee pool, no loan guarantees have been issued under the Citywide program unlike the Airport program.

(4) Total number of firms that have defaulted on their loans since July 1, 1997 and Resulting costs to the City.

No loan guarantees have been issued under the Citywide program. The Airport program however has issued $1,950,000 in loan guarantees supporting $4,150,000 in loans. Since 1995, their have been no loan defaults in the Airport program.

Source: Human Rights Commission

Attachment IV

Source: Human Rights Commi

CITY AND COUNTY OF SAN FRANCISCO
BOND ACTIVITY REPORT
AS OF March 31, 2000

	Construction Firm	HRC Cert.	Date of Request	City Department	Contract Number	Bid Estimate	Credit Enhance* Approved	Ref No	Bid Result	Final Contract Bond Amount	Credit Enhance* Issued	Annual** Subtotal
1	AA Construction	LBE	Sep-97	Port of SF	2633	1,718,000	75,000	1	Not Low	N/A	N/A	
2	Construction Systems	Black	Sep-97	Rec & Park	4274	50,000	20,000	2	Low	50,360	$20,000	
3	King Securities	WBE	Nov-97	Public Transportation	CC097-703	1,443,824	144,385	3	Low	1,543,824	$144,385	
4	AA Construction	LBE	Nov-97	Public Works	2635	1,300,000	97,500	4	Not Low	N/A	N/A	
5	Jamerson Construction	Black	Nov-97	Rec & Park	4273	31,471	7,000	5	Low	34,968	$7,000	
6	Ward's Building Maint.	Black	Dec-97	Purchasing	83611	144,000	6,000	6	Low	144,000	Not Issued***	
7	Ward's Building Maint.	Black	Dec-97	Public Works	83651	79,164	7,916	7	Low	79,164	$7,916	
8	Biller-McCoy Bldg.	Black	Apr-98	Port of SF	2617	204,256	81,702	8	Low	204,256	Not Issued***	$2,056,372
9	Applied Remedial	Asian	Sep-98	Public Works	1208K	358,000	143,200	9	Low	358,000	$143,200	
10	Jamerson Construction	Black	Nov-98	Public Works	1118D	67,795	11,143	10	Low	67,795	Not Issued***	
11	Applied Remedial	Asian	Jan-99	Public Works	1208K	210,000	26,250	11	Not Low	N/A	N/A	
12	Millard Tong Constr.	Asian	Jun-99	Public Utilities	CW220/164	4,500,000	180,000	12	Low	4,900,000	Pending	
13	Ward's Building Maint.	Black	May-99	Purchasing Dept	309	144,000	28,800	13	Not Low	N/A	N/A	
14	Ward's Building Maint.	Black	Jun-99	Purchasing Dept	83651	100,000	20,000	14	Not Low	N/A	N/A	$5,325,795
15	Jamerson Construction	Black	Nov-99	Rec & Park	4344	39,937	15,975	15	Low	39,937	$27,118	
16	Wilsco Construction	Asian	Oct-99	Public Works	5471A	450,000	85,000	15a	Not Low	N/A	N/A	$39,937
17	Mendelian Construction	Black	Feb-00	Public Utilities	CW257/0116J	300,000	30,000	16	Not Low	N/A	N/A	
	TOTAL					$11,140,447	$979,871			$7,422,304	$349,619	$7,422,304

* Credit Enhancement
** Final Contract Amount
*** Bond Requirement Waived or Not Necessary

Summary of Program Activity

Seventeen (17) transactions totaling $11,140,447
Ten (10) contracts awarded totaling $7,422,304 with six (6) Contractors requiring Credit Enhancement totaling $349,619
One (1) LBE Contractor bidding $3,018,000 approved for $172,500 in Credit Enhancement
Five (5) Black Contractors bidding at $1,160,623 approved for $226,536 in Credit Enhancements
One (1) WBE Contractor bidding at $1,443,824 approved for $144,385 in Credit Enhancements
Three (3) Asian Contractor bidding at $5,610,000 approved for $434,450 in Credit Enhancements

Citywide versus SFO Bonding & Finance Assistance Program

In contrast to the Citywide program, the Airport sponsored program, which established the precedent to the Citywide program, has had a significant amount more in funding, $4 Million in guarantee support versus $350,000 in the Citywide program. Since its' inception in 1995 the Airport program has issued over $7,000,000 in guarantees for bonds supporting contracts of $52,748,274 bid by MBE/WBE firms. These firms were successful low bidder on approximately $20 Million of the $52 Million bid. In addition to bond guarantees the Airport program has assisted MBE/WBE contractors with contract financing and has issued $1,950,000 in loan guarantees supporting total loans secured of $4,500,000. All without a single claim or default.

The elimination of the bonding and financing barriers for MBE/WBE firms at the Airport has also served to increase the pool of contractors able to bid and secure contracts. The result has been contract savings to the Airport in excess of $1.2 Million on prime contracts alone.

Source: Human Rights Commission

Attachment VI

City and County of San Francisco

Willie Lewis Brown, Jr.
Mayor

Human Rights Commission

Contract Compliance
Dispute Resolution/Fair Housing
Minority/Woman/Local Business Enterprise
Lesbian Gay Bisexual Transgender & HIV Discrimination

Virginia M. Harmon
Interim Director

To: Emilie Neumann, Budget Analyst

From: Virginia Harmon, HRC

Date: June 1, 2000

Re: Additional information for Bonding Program

Here is some of the additional information you requested this morning.

1. Administrative costs for fiscal years 1997-1998 and 1998-1999:

7/1/97-7/1/98	$216,849.92
7/1/98-7/1/99	$230,854.43

2. Departmental contributions to Bonding program for 1999-00 and 2000-01

Department	FY 1999-00	FY 2000-01
PUC	50,000	50,000
DPW	50,700	50,700
Redevelopment Agency	65,000	65,000
Purchasing	20,000	20,000
Port	50,700	50,700
DT/Muni	50,000	50,000
Rec & Park	50,000	50,000

3. Explain expenditure of $500,000 original funding.
   At this point, I am unable to provide an accounting of the original $500,000 funding. Such an accounting would require a review of financial records dating back to 1994. HRC will make this information available as soon as possible.

Thank you for your assistance in this matter.

25 Van Ness Avenue
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California 94102-6033

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FAX (415) 431-5764
TDD (415) 252-2550
www.ci.sf.ca.us/sfhumanrights

Item 4 – File 00-0858

Department: District Attorney, Family Support Bureau

Item: Ordinance amending the San Francisco Administrative Code by adding Chapter 89 thereto, establishing a Department of Child Support Services, procedures for appointment of a Director, and transfer of functions from the District Attorney, as required by State law.

Description: The State of California's child support system currently involves numerous State and local agencies. California Family Code Section 17304, signed into law in 1999, now requires all counties in California to create a separate Department of Child Support Services, which would be independent from other local departments and answer directly to the new State Department of Child Support Services.

In San Francisco, child support services are currently provided by the Family Support Bureau, a division of the District Attorney's Office. The subject ordinance would amend the Administrative Code by adding Chapter 89 to sever the Family Support Bureau from the District Attorney's Office and create the independent Department of Child Support Services. According to Mr. Merlin Zimmerly of the Family Support Bureau, all operational activities and functions of the Family Support Bureau will remain the same after converting to the Department of Child Support Services. The new City Department of Child Support Services would begin functioning independently on July 1, 2000.

Budget: The Bureau of Family Services is currently a division of the District Attorney's Office. The Mayor's proposed Fiscal year 2000-2001 budget (to be considered by the Board of Supervisors in June, 2000) includes the new Department of Child Support Services as a separate department. According to Mr. Zimmerly, the Controller's Office has already established the new departmental accounts in the City's financial accounting system.

According to Mr. Zimmerly, the new Department of Child Support Services' Fiscal Year 2000-2001 budget will be funded entirely by State and Federal funding, a requirement of the State law mandating separation of the Family Support Bureau from the District Attorney's Office. No City General Fund monies will be required. Mr. Zimmerly advises that additional costs resulting from the transition into a new and independent Department are included in the Mayor's proposed budget for Fiscal Year 2000-2001 (See Comment No. 2). According to Mr. Zimmerly, these new costs will also be fully funded by Federal and State monies.

Comments:

1. According to Mr. Zimmerly, the Family Support Bureau is already housed separately from the District Attorney's Office at 617 Mission Street and would not have to move or make any changes to its current location after becoming the new Department of Child Support Services.

2. Mr. Zimmerly advises that creating the new Department of Child Support Services (CSS) requires the creation of two new positions, which are included in the Mayor's proposed Fiscal Year 2000-2001 budget, subject to Board of Supervisors approval. Currently, personnel matters for the Family Support Bureau are handled primarily by the general administration of the District Attorney's Office. Mr. Zimmerly advises that beginning July 1, 2000, the new Department of Child Support Services will require a separate personnel function. The proposed CSS Fiscal Year 2000-2001 budget therefore requests the creation of one new Personnel Analyst position. The proposed CSS Fiscal Year 2000-2001 budget also requests the addition of an Assistant Director position to provide general administrative direction and services the Family Support Bureau now receives from the District Attorney's Office.

3. Mr. Zimmerly advises that, according to the State law mandating the creation of the Department of Child Support Services, all 101 Investigator employees of the new Department must have Civil Service status, rather then being "Exempt" employees appointed by the Department head, which is currently the policy under the District Attorney's Office. The Department of Human

Resources has been working with the Family Support Bureau to determine the appropriate Civil Service Classifications to be included in the Fiscal Year 2000-2001. Mr. Zimmerly states that all of these new Civil Service positions, and associated increased costs, if any, will be funded entirely by the State and Federal funds.

4. The two new positions described in Comment No. 2 above, and any other costs associated with the conversion of the Family Support Bureau to the Department of Child Support Services, will be State-funded under the California Family Code and subject to appropriation approval by the Board of Supervisors.

Recommendation: Approve the proposed ordinance.

Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
Clerk of the Board
Controller
Stephen Kawa

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City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

94102-4689

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Acting Clerk: Donna Hall

Tuesday, June 06, 2000 | **1:00 PM** | **City Hall, Room 263**

Regular

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

DOCUMENTS DEPT.

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Meeting convened

Meeting convened at 1:00 p.m. Supervisor Katz was noted present at 1:10 p.m.

991150 **[Workers' Compensation, Municipal Railway]**

Supervisors Kaufman, Ammiano, Newsom

Hearing to consider the status of workers' compensation claims at the San Francisco Municipal Railway and to discuss what steps MUNI is taking to curb abuses of workers' compensation.

6/7/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Request this item be scheduled at the July 6, 1999 meeting.

7/6/99, CONTINUED. Heard in Committee. Speakers: Michael Burns, General Manager, Municipal Railway; Jeff Gary, Workers Compensation Coordinator, Municipal Railway; Ed Harrington, Controller. Continued to October 5, 1999.

10/5/99, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Michael Burns, General Manager, Municipal Railway; Jeff Kerry, Municipal Railway; Jim Corrigan; Rey Antonio, Local 38.

2/1/00, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Jeff Gary, Manager, Workers' Compensation for Municipal Railway; Quincey Norris, Municipal Railway; Ed Harrington, Controller; Ken Bruce, Budget Analyst; Jim Corrigan.

Heard in Committee. Speakers: Jeff Gary, Workers' Compensation Coordinator; Ed Harrington, Controller; Christine Ragan, Mayor's Office. Continued to October 3, 2000.

CONTINUED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000805 **[Administrative Code Chapter 6 - Technical Amendments]**

Supervisor Kaufman

Ordinance amending Chapter 6 of the Administrative Code to effect technical corrections to subsections 6.21(J) and 6.61(G) and to delete 6.21(l) and add a new 6.22(O) to comply with changes in state law concerning the employment of apprentices.

(Amends Chapter 6, subsections 6.21(J) and 6.61(G); deletes 6.21(l); and add a new 6.22(O).)

5/1/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 5/31/2000. Sponsor requests this matter be scheduled for consideration at the June 6, 2000 meeting.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000861 **[Amending Administrative Code, Bonding and Financial Assistance Program]**

Supervisor Brown

Ordinance amending Administrative Code, Chapter 12D.A, by amending subsection 12D.A.9(A)(5) and adding subsection 12D.A.10(C) to replace former Section 6.20-2, to authorize additional funding sources for the Program, to extend the term of the Program until June 30, 2005, and to provide for decertification in the event of default.

(Amends Subsection 12D.A.9(A)(5), adds Subsection 12D.A.10(C).)

5/8/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Speakers: None

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000858 **[Administrative Code Chapter 89, Establishing Department of Child Support Services]**

Ordinance amending the San Francisco Administrative Code by adding Chapter 89 thereto, establishing a Department of Child Support Services, procedures for appointment of a Director and transfer of functions from the San Francisco District Attorney as required by State law. (District Attorney)

(Adds Chapter 89.)

5/4/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Milt Hyams, District Attorney's Office; Byron McQuarters, District Attorney's Office; Female; Ed Harrington, Controller. Amendment of the Whole bearing same title relative to the Director of the Department of Child Support Services to be appointed consistent with State Law.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000696 **[Administrative Code Revisions, Chapter 16, Article 1]**

Supervisor Kaufman

Ordinance amending Chapter 16, Article I of Part I of the San Francisco Municipal Code (Administrative Code), by amending Sections 16.2 (Military Leave for Sea Duty), 16.4 (City Office Hours), 16.9-2 (Peace Officer Training), 16.9-24 (Equal Employment Opportunity Plans), and 16.9-25 (Sexual Harassment Policy), and by repealing Sections 16.3, 16.3-1, 16.3-2, 16.3-8, 16.6-3, 16.6-4, 16.6-5, 16.6-6, 16.6-7, 16.6-8, 16.6-9, 16.6-10, 16.6-11, 16.6-12, 16.7, 16.8, 16.8-1, 16.9-1, 16.9-3, 16.9-4, 16.9-5, 16.9-6, 16.9-7, 16.9-8, 16.9-9, 16.9-10, 16.9-11, 16.9-16, 16.9-17, 16.9-18, 16.9-19, 16.9-20, 16.9-23, 16.9-26, 16.9-27, 16.9-28, and 16.9-30, to eliminate outdated and obsolete provisions.

4/17/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 5/17/2000.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000630 **[Administrative Code Revision, Chapter 16, Article V]**

Supervisor Kaufman

Ordinance amending Chapter 16, Article V, of Part I of the San Francisco Municipal Code (Administrative Code), by amending Sections 16.90, 16.92, and 19.93, regarding salary and wage deductions, and by amending Sections 16.93-4 and 19.93-5, regarding the Annual Joint Fundraising Drive.

(Amends Sections 16.90, 16.92, 9.93, 16.93-4 and 19.93-5.)

4/10/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 5/10/2000.

Amendment of the whole bearing same title relative to making provisions consistent with the Administrative Code.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000631 **[Administrative Code Revision, Chapter 16, Article VII]**

Supervisor Kaufman

Ordinance amending Chapter 16 of Part I of the San Francisco Municipal Code (Administrative Code), by repealing Article VII (Sections 16.98 through 16.107), regarding residency requirements, in its entirety.

(Repeals Sections 16.98 through 16.107.)

4/10/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 5/10/2000.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000633 **[Permits for United Nations and Hallidie Plaza]**

Supervisor Kaufman

Ordinance amending Chapter I of Part I of the San Francisco Municipal Code (Administrative Code) by adding Section 1.58, governing permits for the use of United Nations Plaza and Hallidie Plaza, and amending Chapters 8B and 8C of Part II, Chapter VI of the San Francisco Municipal Code (Park Code), by amending Sections 8B.01, and 8C.01, to correct cross-references.

(Adds Administrative Code Section 1.58; amends Park Code Sections 8B.01, and 8C.01.

4/10/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 5/10/2000.

5/1/00, SUBSTITUTED. Supervisor Kaufman submitted a substitute ordinance in Board, bearing new title. Sponsor requests this matter be scheduled for consideration at the June 2, 2000 meeting.

5/1/00, ASSIGNED to Audit and Government Efficiency Committee.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000801 **[Administrative Code Revision, Chapter 44]**

Supervisor Kaufman

Ordinance amending Part I, Chapter 44, of the San Francisco Municipal Code (Administrative Code), by amending Section 44.3, regarding composition of the Adult Day Health Care Planning Council.

(Amends Chapter 44, Section 44.3.)

5/1/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 5/31/2000.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000803 **[Administrative Code Revision, Chapter 13]**

Supervisor Kaufman

Ordinance amending Part I, Chapter 1 and Chapter 13, of the San Francisco Municipal Code (Administrative Code) by repealing Sections 13.1, 13.2, 13.3, 13.5, 13.6, 13.9, 13.10, 13.11, 13.14, 13.15, 13.16, 13.17, 13.18, 13.19, 13.20, 13.21, and 13.22, by amending Sections 13.4 and 13.71, and by renumbering Sections 13.50 and 13.51 as 1.35 and 1.36, respectively, to update provisions regarding jails and prisoners and to eliminate outdated and obsolete provisions.

(Repeals 13.1, 13.2, 13.3, 13.5, 13.6, 13.9, 13.10, 13.11, 13.14, 13.15, 13.16, 13.17, 13.18, 13.19, 13.20, 13.21, 13.22; amends Sections 13.4 and 13.71; renumbers Sections 13.50 and 13.51 as 1.35 and 1.36.)

5/1/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 5/31/2000. Sponsor requests this matter be scheduled for consideration at the June 6, 2000 meeting.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000804 **[Administrative Code Revision, Chapter 51A]**

Supervisor Kaufman

Ordinance amending Part I of the San Francisco Municipal Code (Administrative Code), by repealing Chapter 51A, establishing the Youth and Children Services Fund.

(Repeals Chapter 51A.)

5/1/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 5/31/2000. Sponsor requests this matter be scheduled for consideration at the June 6, 2000 meeting.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

LITIGATION

Conference with City Attorney

(Convene in Closed Session)
Motion that the Audit and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene to closed session.

000733 **[Settlement of Lawsuit, Amending Ordinance 262-98]**

Ordinance amending Ordinance 262-98 which approved a settlement of the lawsuit in Commercial Interiors Construction, Inc., v. City and County of San Francisco, et al., San Francisco Superior Court, Case No. 990-209, relating to the Chinatown Branch Library Project for $285,016.13 and release of the City's claims to contract retention conditioned on T.E. Joo's approval of the settlement agreement, by approving modifications to the settlement that will delete the condition that T.E. Joo must approve the settlement. (City Attorney)

(Filed on October 9, 1997.)

4/19/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee Confidential letter dated April 5, 2000 is on file with the Clerk of the Board.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000734 **[Settlement of Lawsuit]**

Resolution approving the settlement of the unlitigated claim filed by Ann Sekulich against San Francisco for $50,000; claim was filed on 09-03-99; additional material terms of said settlement is the signing of a release of liability against the City and County of San Francisco. (City Attorney)

(Unlitigated Claim No. 98T1355-1.)

4/19/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated April 5, 2000 is on file with the Clerk of the Board.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000845 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Kim Kazanas against the City and County of San Francisco for $195,000; the lawsuit was filed on January 16, 1998 in Superior Court, Case No. 992-108; entitled Kim Kazanas, Demosthenes Kazanas, et al., v. City and County of San Francisco, et al.; other material terms of said settlement are co-defendant to pay cablecar gripman $250,000 less $50,000 to City as compensation for Workers' Compensation benefits paid for gripman's injuries due to the accident. (City Attorney)

5/3/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated March 17, 2000 is on file with the Clerk of the Board.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000846 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Jack and Maxine Friedman against the City and County of San Francisco for $40,000.00; the lawsuit was filed on March 3, 1998 in Superior Court of the State of California, County of San Francisco, Unlimited Civil Jurisdiction, Case No. 993-349; entitled Jack & Maxine Friedman, v. City and County of San Francisco, et al. (City Attorney)

5/3/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated March 8, 2000 is on file with the Clerk of the Board.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000929 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Anita Hanks, Kenneth Hanks, Jr. and Kenneth Hanks against the City and County of San Francisco for $30,000.00; the lawsuit was filed on January 22, 1996 in United States District Court, Case No. C96-0310 CAL; entitled Anita Hanks, Kenneth Hanks, Jr. and Kenneth Hanks, Sr. et al., v. City and County of San Francisco, et al. (City Attorney)

5/17/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated April 5, 2000 is on file with the Clerk of the Board.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000986 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Madeline Harris against the City and County of San Francisco, San Francisco Municipal Railway, for $100,000.00; the lawsuit was filed on July 10, 1997 in United States District Court, Northern District, Case No. C97-2546 WHA; entitled Madeline Harris v. City and County of San Francisco, et al.; other material terms of said settlement are: plaintiff to receive a permanent appointment to Class 9141 Transit Manager II, Step 5, within 120 days, with back pay to December 25, 1999; plaintiff's claims for attorney's fees and court costs to be determined by the court pursuant to motion or further agreement. (City Attorney)

5/24/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated April 24, 2000 is on file with the Clerk of the Board.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000987 **[Settlement of Claim]**

Resolution approving the settlement of the unlitigated claim filed by Barbara Prather against San Francisco for $70,000; claim as filed on January 14, 2000; additional material terms of said settlement is the signing of a release of liability against the City and County of San Francisco. (City Attorney)

(Unlitigated Claim: 99 T 0109-1.)

5/24/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated April 17, 2000 is on file with the Clerk of the Board.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

Report on Closed Session

Deputy City Attorney Ted Lakey reported that the Audit and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]
Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose deliberations.

ADJOURNMENT

The meeting adjourned at 3:00 p.m.

0.643

4/00
Rescheduled to
7/13/00

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

NOTICE OF RESCHEDULED MEETING

AUDIT AND GOVERNMENT EFFICIENCY COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the regular meeting of the Audit and Government Efficiency Committee of the San Francisco Board of Supervisors scheduled for Tuesday, July 4, 2000, at 1:00 p.m., has been rescheduled to **Thursday, July 13, 2000**, at **11:00 a.m.**, at 1 Dr. Carlton B. Goodlett Place, Legislative Chamber, Second Floor, City Hall, San Francisco, California.

Gloria L. Young, Clerk of the Board

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AUDIT AND GOVERNMENT EFFICIENCY COMMITTEE
S.F. BOARD OF SUPERVISORS
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City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Acting Clerk: Donna Hall

Thursday, July 13, 2000 **11:00 AM** **Legislative Chamber**

Rescheduled Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

MEETING CONVENED

The meeting convened at 11:05 a.m. Supervisor Katz was noted present at 11:23 a.m.

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REGULAR AGENDA

001007 **[Administrative Code Chapter 31]**

Supervisor Kaufman

Ordinance rescinding Administrative Code Chapter 31 and enacting new Administrative Code Chapter 31 to adopt procedures and fees to implement the California Environmental Quality Act.

(Rescinds Administrative Code Chapter 31.)

5/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 6/29/2000. Sponsor requests this item be scheduled for the July meeting.

Speakers: None. Continued to August 1, 2000.

CONTINUED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

000859 **[Amending Administrative Code, Small Business Commission]**

Supervisor Leno

Ordinance amending Administrative Code, Article XIII, by amending Sections 5.120, 5.121 and 5.122 to clarify that the Small Business Commission shall now be in the Department of Business and Economic Development ("Department") rather than in the Office of the Mayor and that the Commission's budget shall now be part of the budget of that Department; by changing the title of the Secretary of the Small Business Commission to Commission Secretary rather than Executive Secretary; by changing the title of the Administrative Head of the Office of Small Business Affairs to "Director" rather than "Chief of Staff"; and to clarify that members of the Small Business Commission shall be considered Officers of the City and County of San Francisco.

(Amends Sections 5.120, 5.121 and 5.122.)

5/8/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Theodore Lakey, Deputy City Attorney; Clare Murphy, Executive Director, Retirement System.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001012 **[Landscaping Ordinance Revisions]**

Supervisor Kaufman

Ordinance amending Chapter 63 of the San Francisco Administrative Code to require submission of landscaping plans, soils reports, and irrigation plans for new developments and landscaping renovations larger than 1,000 square feet which require a new water service meter from the San Francisco Water Department.

5/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 6/29/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001006 **[Administrative Code Revision, Chapter 16]**

Supervisor Kaufman

Ordinance amending Chapter 16, Article IV of Part 1 of the San Francisco Administrative Code by repealing Sections 16.29-15.3, 16.29-15.4, 16.29-15.5, 16.29-15.6, 16.29-15.7, 16.29-15.8, 16.29-15.9, 16.29-18, 16.29-19, 16.30, 16.31, 16.35, 16.36, 16.39, 16.40, 16.50, 16.51, 16.53, 16.57, 16.58, 16.59, 16.60, 16.61, 16.62, 16.63, 16.64, 16.65, 16.68, 16.69, 16.70, 16.70-2, 16.72, 16.73, and 16.78, regarding the Retirement System, to eliminate out-dated and obsolete provisions.

(Repeals Sections 16.29-15.3, 16.29-15.4, 16.29-15.5, 16.29-15.6, 16.29-15.7, 16.29-15.8, 16.29-15.9, 16.29-18, 16.29-19, 16.30, 16.31, 16.35, 16.36, 16.39, 16.40, 16.50, 16.51, 16.53, 16.57, 16.58, 16.59, 16.60, 16.61, 16.62, 16.63, 16.64, 16.65, 16.68, 16.69, 16.70, 16.70-2, 16.72, 16.73, and 16.78.)

5/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 6/29/2000. Sponsor requests this item be scheduled for the July meeting.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001011 **[Administrative Code Revision - Transfer Benefits]**

Supervisor Kaufman

Ordinance amending Chapter 16 of Part I of the San Francisco Municipal Code (Administrative Code), by amending Section 16.9-29, regarding the City's catastrophic sick leave policy, to eliminate out-dated provisions establishing the Task Force on Transfer Benefits.

(Amends Section 16.9-29.)

5/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 6/29/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001008 **[Administrative Code Revisions - Funds]**

Supervisor Kaufman

Ordinance amending Chapters 10 and 16 of Part I of the San Francisco Municipal Code (Administrative Code), by repealing Sections 10.92, 10.95, 10.104, 10.105, 10.106, 10.107, 10.109-4, 10.117-2, 10.117-15, 10.117-28, 10.117-58, 10.117-64, 10.117-99, 10.117-111, 10.193, 10.200, and 16.89, to eliminate funds no longer in use.

(Repeals Sections 10.92, 10.95, 10.104, 10.105, 10.106, 10.107, 10.109-4, 10.117-2, 10.117-15, 10.117-28, 10.117-58, 10.117-64, 10.117-99, 10.117-111, 10.193, 10.200, and 16.89.)

5/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 6/29/2000.

Speakers: None.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Chapters 10 and 16 of Part I of the San Francisco Municipal Code (Administrative Code), by repealing Sections 10.92, 10.95, 10.104, 10.105, 10.106, 10.107, 10.109-4, 10.117-2, 10.117-28, 10.117-58, 10.117-64, 10.117-99, 10.193, 10.200, and 16.89, to eliminate funds no longer in use.

(Repeals Sections 10.92, 10.95, 10.104, 10.105, 10.106, 10.107, 10.109-4, 10.117-2, 10.117-28, 10.117-58, 10.117-64, 10.117-99, 10.193, 10.200, and 16.89.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001009 **[Administrative Code Revisions - Funds]**

Supervisor Kaufman

Ordinance amending Chapters 8 and 10 of Part I of the San Francisco Municipal Code (Administrative Code), by repealing Sections 8.21-1, 8.35, 10.91, 10.93, 10.108, 10.109-2, 10.109-5, 10.109-6, 10.110-1, 10.117-4, 10.117-5, 10.117-17, 10.117-19, 10.117-22, 10.117-26, 10.117-27, 10.117-32, 10.117-34, 10.117-36, 10.117-38, 10.117-39, 10.117-48, 10.117-49, and 10.117-53, and by amending Section 10.117-1, to eliminate funds no longer in use.

(Repeals Sections 8.21-1, 8.35, 10.91, 10.93, 10.108, 10.109-2, 10.109-5, 10.109-6, 10.110-1, 10.117-4, 10.117-5, 10.117-17, 10.117-19, 10.117-22, 10.117-26, 10.117-27, 10.117-32, 10.117-34, 10.117-36, 10.117-38, 10.117-39, 10.117-48, 10.117-49, and 10.117-53; amends Section 10.117-1.)

5/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 6/29/2000.

Speakers: None.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Chapters 8 and 10 of Part I of the San Francisco Municipal Code (Administrative Code), by repealing Sections 8.35, 10.91, 10.93, 10.108, 10.109-2, 10.110-1, 10.117-4, 10.117-5, 10.117-17, 10.117-19, 10.117-22, 10.117-26, 10.117-27, 10.117-32, 10.117-34, 10.117-36, 10.117-38, 10.117-39, and 10.117-48, and by amending Section 10.117-1, to eliminate funds no longer in use.

(Repeals Sections 8.35, 10.91, 10.93, 10.108, 10.109-2, 10.110-1, 10.117-4, 10.117-5, 10.117-17, 10.117-19, 10.117-22, 10.117-26, 10.117-27, 10.117-32, 10.117-34, 10.117-36, 10.117-38, 10.117-39, and 10.117-48; amends Section 10.117-1.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001010 **[Administrative Code Revisions - Funds]**

Supervisor Kaufman

Ordinance amending Chapter 10 of Part I of the San Francisco Municipal Code (Administrative Code), by repealing Sections 10.117-55, 10.117-57, 10.117-60, 10.117-62, 10.117-70, 10.117-71, 10.117-81, 10.117-89, 10.117-94, 10.117-104, 10.117-105, 10.117-115, 10.172-1, 10.178, 10.179, and 10.185, to eliminate funds no longer in use.

(Repeals Sections 10.117-55, 10.117-57, 10.117-60, 10.117-62, 10.117-70, 10.117-71, 10.117-81, 10.117-89, 10.117-94, 10.117-104, 10.117-105, 10.117-115, 10.172-1, 10.178, 10.179, and 10.185.)

5/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 6/29/2000.

Speakers: None.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Chapter 10 of Part I of the San Francisco Municipal Code (Administrative Code), by repealing Sections 10.117-55, 10.117-57, 10.117-60, 10.117-62, 10.117-71, 10.117-81, 10.117-89, 10.117-94, 10.117-104, 10.117-105, 10.117-115, 10.172-1, 10.178, 10.179, and 10.185, to eliminate funds no longer in use.

(Repeals Sections 10.117-55, 10.117-57, 10.117-60, 10.117-62, 10.117-71, 10.117-81, 10.117-89, 10.117-94, 10.117-104, 10.117-105, 10.117-115, 10.172-1, 10.178, 10.179, and 10.185.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

LITIGATION

Conference with City Attorney

(Convene in Closed Session)

Motion that the Audit and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene to closed session.

001088 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Craig Allen Knight against the City and County of San Francisco for $55,573.25; the lawsuit was filed on June 4, 1998 in the United States District Court, Case No. C98-2268 CRB; entitled Craig Allen Knight v. City and County of San Francisco, et al. (City Attorney)

6/7/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated May 8, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001139 **[Settlement of Claim]**

Resolution approving the settlement of the unlitigated claim filed by Xian Gu Zeng against San Francisco for $45,000; claim was filed on July 7, 1999; additional material terms of said settlement is the signing of a release of liability against the City and County of San Francisco. (City Attorney)

6/14/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001140 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of Stephen Richardson, et al. v. City and County of San Francisco by approving settlement agreement, including payment of damages, attorney's fees, and monitoring fees in the amount of $212,500. (City Attorney)

(U.S. District Court No. C97-3491 SBA; filed September 24, 1997.)

6/14/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001141 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by William S. Freeman and Beth L. Freeman against the City and County of San Francisco for $250,000; the lawsuit was filed on January 7, 1999 in Superior Court of the State of California, County of San Mateo, Case No. 407-545; entitled William S. Freeman and Beth L. Freeman, et al., v. City and County of San Francisco, et al. (City Attorney)

6/14/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001159 **[Settlement of Lawsuit]**

Supervisor Kaufman

Ordinance authorizing settlement of the lawsuit filed by Alliance Financial (a California Partnership) and Alliance Financial Capital, Inc. against the City and County of San Francisco for $130,000 (One Hundred Thirty Thousand Dollars); the lawsuit was filed on July 7, 1995 in the Superior Court for the County of San Mateo, Case No. 392841 and then transferred to the Superior Court for the County of Alameda, Case No. 759149-9; entitled Alliance Financial and Alliance Financial Capital, Inc. v. City and County of San Francisco, et al.

6/12/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

Report on Closed Session

Deputy City Attorney Ted Lakey reported that the Audit and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]
Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose deliberations.

ADJOURNMENT

The meeting adjourned at 11:46 a.m.

[Budget Analyst Report]
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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

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July 27, 2000

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: August 1, 2000 Audit and Government Efficiency Committee Meeting

Item 3 – File 00-1007

Note: This item was continued by the Audit and Government Efficiency Committee at its meeting of July 13, 2000.

Department: City Planning (CPC)

Item: Ordinance rescinding Administrative Code Chapter 31 and enacting new Administrative Code Chapter 31 to adopt procedures and fees to implement the California Environmental Quality Act (CEQA).

Description: Chapter 31 of the Administrative Code currently outlines the City's responsibilities in implementing the California Environmental Quality Act (CEQA). However, according to the City Attorney's Office, much of Chapter 31 is now out-of-date or obsolete due to changes in State law. The proposed ordinance would rescind Chapter 31 in its current form and enact a new Chapter 31 which, according to the City Attorney's Office, streamlines, updates and conforms Chapter 31 to the requirements and provisions of CEQA.

Overall, according to Ms. Kate Stacy of the City Attorney's Office, the proposed ordinance eliminates substantive interpretations of CEQA contained in the current version of Chapter 31, in order to preclude additional revisions to the Administrative Code based upon future changes in State law. The proposed new Chapter 31 focuses on the City's procedural requirements under CEQA.

The proposed revision of Chapter 31 of the Administrative Code adds one new procedure. The new Chapter 31 would allow the public to appeal certification of certain Environmental Impact Reports (EIR) to the Board of Supervisors. Currently, the public can submit comments on draft EIRs to the Planning Commission, either in writing or orally, during the public comment period. The Planning Commission must respond in writing to these comments, however, the public has no formal process for appealing an EIR once it has been certified by the Planning Commission. Under the proposed revision of Chapter 31, Section 31.16 would allow any person or organization that has submitted comments to the Planning Commission on an eligible draft EIR, either in writing during the public review period, or orally or in writing at a public hearing on the EIR, to appeal the Planning Commission's certification of a final EIR to the Board of Supervisors. Only those EIRs that fall under the jurisdiction of both the Planning Commission and the Board of Supervisors would be eligible for appeal. The appellant would be required to submit a letter of appeal to the Clerk of the Board within 10 calendar days after the Planning Commission's certification of an EIR, and the Clerk of the Board would then be required to schedule a hearing before the full Board of Supervisors within 30 days. According to Ms. Stacy, allowing the public to appeal EIR certification to the locally-elected body conforms with State requirements under CEQA.

To help defray the cost to the City of EIR certification appeals to the Board of Supervisors, the proposed revision of Chapter 31 includes a fee of $1,000 paid by the appellant to the Planning Department. Such fee would be used to fund the cost of reproducing the EIR for the Board

of Supervisors, as well as the cost of Planning Department staff time.

Comment: According to Ms. Hillary Gitelman of the Planning Department, the Planning Department has not made a formal estimate of the number of annual EIR appeals the Board of Supervisors may receive. However, Ms. Gitelman does not anticipate that the Board of Supervisors will receive many appeals since the Planning Department only certifies approximately 25 to 50 EIRs per year, and since not all of these EIRs would be eligible for an appeal to the Board of Supervisors. In addition, Ms. Gitelman does not anticipate that the $1,000 fee charged for EIR certification appeals to the Board of Supervisors would cover the full cost to the Planning Department, in time and materials, of processing such appeals.

Recommendation: Approval the proposed ordinance is a policy matter for the Board of Supervisors.

Item 6 - File 00-1292

Department: Department of Public Works (DPW)

Item: Resolution accepting a gift of $20,000 from the J. C. DeCaux Corporation for utility construction costs at Pioneer Park.

Gift Amount: $20,000

Description: The Department of Public Works is collaborating with other City departments and residents of Telegraph Hill to undertake the Pioneer Park Renovation/Telegraph Hill Stairway Construction Project, located just south of the corner of Lombard and Kearny Streets. The total cost of the Renovation Project, which includes landscaping and lighting in the Park and providing accessible crosswalks and three sets of stairs and accessible ramps to Coit Tower, is estimated to be $1,731,133, as shown in the attached Construction Cost Estimate. According to Mr. Saed Toloui of DPW, construction on the Pioneer Park/Telegraph Hill Project is estimated to begin in September 2000.

As part of the Project, the J. C. DeCaux Corporation will install a 24-hour accessible toilet in Pioneer Park. Mr. Toloui reports that the toilet will be installed in January or February of 2001 after all the necessary utility work has been completed. The cost of the installation of piping and other sewer work for the toilet is $25,000 and the cost of electrical work associated with the toilet is $37,000, for a total of $62,000 in utility work necessary for the installation of the toilet. Mr. Toloui reports that the contracts for this utility work as well as all other contracts for work on the Renovation Project were chosen by a competitive bidding process. Once the utility work is completed, the J. C. DeCaux Corporation will fully pay for the installation and maintenance of the toilet.

Comments: 1. Under the proposed resolution, the J. C. DeCaux Corporation has agreed to contribute a cash gift of $20,000 to defray the cost of the utility work for the toilet in Pioneer Park. Mr. Jake Szeto of DPW reports that J. C. DeCaux Corporation is providing only $20,000, when the

cost of the utility work is $62,000, because a provision of the existing contract between the City and the J. C. DeCaux Corporation limits the Corporation's contribution for utility work to install the toilets throughout the City to $20,000 for each toilet. This existing contract requires the City to pay any additional costs beyond the $20,000 for utility work necessary to install the toilets. Mr. Szeto further states that because the toilet is part of the much larger Pioneer Park Renovation/Telegraph Hill Stairway Construction Project, the J. C. DeCaux Corporation's regular contribution of $20,000 for utility work associated with the installation of its toilets is in the form of a cash gift to DPW.

2. The Attachment is a Construction Cost Estimate provided by DPW. As shown in the Attachment, DPW also received a gift of $331,969 for the Pioneer Park Project, from the San Francisco Foundation Community Initiative Funds and Friends of Recreation and Parks, which was approved by the Board of Supervisors in February of 1998 (File 98-161).

Recommendation: Approve the proposed resolution.

Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
Clerk of the Board
Controller
Stephen Kawa

PIONEER PARK RENOVATION/ TELEGRAPH HILL STAIRWAYS CONSTRUCTION

CONSTRUCTION COST ESTIMATE
5/3/00

Bid Item	Bid Item Description	Estimated Quantity	Unit	Unit Price	Extension
1	MOBILIZATION (Refer to Specification Section 01505) Maximum 5% of the Total Lump Sum Base Bid, excluding Allowances, Alternates, and the Mobilization Bid Item itself.	--	L.S.	--	$60,000
1A	FIELD OFFICE TYPE B	1	L.S.	--	$7,500
2	TRENCH SHORING AND BRACING OR EQUIVALENT METHOD CONFORMING TO APPLICABLE SAFETY ORDERS	--	L.S.	--	$1,000
3	ALLOWANCE FOR OFF-DUTY S.F. POLICE OFFICER	--	Allowance	--	$50,000
4	TRAFFIC CONTROL WORK	--	L.S.	--	$20,000
5	TRAFFIC CONTROL PLANS	4	EA.	400	$1,600
6	TEMPORARY REMOVABLE TAPE STRIPING FOR CROSSWALK LINES	200	L.F.	1.50	$300
7	TEMPORARY PAVEMENT MARKERS	1,000	EA.	0.85	$850
8	SOLAR OPERATED FLASHING ARROW SIGNS	2	EA.	3,600	$7,200
9	CHANGEABLE MESSAGE SIGN	1	EA.	12,000	$12,000
10	TRAFFIC CREW	3,450	HOURS	42	$144,900
11	ROCK EXCAVATION AND STUMP REMOVAL	--	L.S.	--	$68,000

Bid Item	Bid Item Description	Estimated Quantity	Unit	Unit Price	Extension
12	SITE DEMOLITION AND ROUGH GRADING	--	L.S.	--	$50,000
13	CONCRETE WORK	--	L.S.	--	$508,030
14	BASE BID ELECTRICAL WORK	--	L.S.	--	$60,300
15	ELECTRICAL WORK ASSOCIATED WITH J.C. DECAUX TOILET	--	L.S.	--	$37,000
16	SITE DRAINAGE WORK	--	L.S.	--	$16,000
17	BASE BID STONE MASONRY WORK	--	L.S.	--	$100,000
18	METAL FABRICATION	--	L.S.	--	$35,000
19	PERMANENT TRAFFIC SIGNALS	--	L.S.	--	$34,000
20	SITE FURNISHINGS	--	L.S.	--	$10,000
21	AUTOMATIC IRRIGATION SYSTEM	--	L.S.	--	$40,000
22	BASE BID LANDSCAPE PLANTING	--	L.S.	--	$60,000
23	SEWER WORK FOR FUTURE J.C. DECAUX TOILET	--	L.S.	--	$25,000
	TOTAL BASE BID				$1,348,680

Alternate No.	Alternate Description	Extension
A-1	ADDITIONAL STONE MASONRY WORK ADD Lump Sum:	$110,000
A-2	ADDITIONAL ELECTRICAL WORK ADD Lump Sum:	$110,000
A-3	ADDITIONAL SHRUB PLANTING WORK ADD Lump Sum:	$8,000
	TOTAL ALTERNATES	$228,000

ENGINEERING AND CONSTRUCTION SUPPORT COST ESTIMATE
5/3/00

Class	Title	Hours	Rate	Extension
5272	Assoc. Land scape Arch	1515	66	$100,000
5208	Civil Engineer	900	83	$74,700
5504	Assoc. Civil Engineer (Proj. Manage.)	61	66	$4,023
5510	Construction Manager	140	97	$13,580
5208	Resident Engineer/Inspector	800	83	$66,400
5304	Testing Lab	115	50	$5,750
	TOTAL – ENG/CONST			**$264,453**

TOTAL PROJECT COST: $1,731,133
(including Alts. 2 & 3)

PROJECT FUNDING ANALYSIS

Public Works – Departmental Funds	$ 759,164
Public Works – Prop B – ½ Cent Sales Tax	$ 70.000
MTC – Transportation for Livable Communities Grant	$ 350.000
Rec. & Park – Open Space	$ 200.000
Pioneer Park Project Gift *	$ 331,969
DeCaux Corporation	$ 20.000
TOTAL PROJECT FUNDING	**$1,731,133**

* The Pioneer Park Project has raised over $400.000 to date, however, per an agreement with DPW, the Pioneer Park Project has agreed to provide $331,969 to fully fund the project.

City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Acting Clerk: Donna Hall

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Tuesday, August 01, 2000 | **1:00 PM** | **City Hall, Room 263**

Regular

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

Meeting convened.

The meeting convened at 1:00 p.m. Supervisor Katz was noted present at 1:35 p.m.

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AGENDA CHANGES

001332 **[Independent Auditors' Audit Plans for Fiscal Year Ended June 30, 2000]**

Supervisor Kaufman

Hearing to consider the audit plans for the City and County of San Francisco as issued by the City's independent auditors for the fiscal year ended June 30, 2000, in accordance with Charter Section 9.117.

7/17/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ed Harrington, Controller; Tiffany Rasmussen, KPMG; Hugo Delgado, Rodriguez, Perez, Delgado; Tom Pyper, Karling & Associates; Norman Rolf.

FILED.

001125 **[Marina Harbor Audit]**

Supervisor Newsom

Hearing to consider the recommendations resulting from the Marina Yacht Harbor audit, performed by the Audit Division of the Controller's Office.

6/12/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Mark Tipton, Controller's Office; Mike Moreland, Recreation & Park Department; Courtney Clarkson, Jack Kaus; Emeric Kalman; Joan Girardot; Female; Robert LeVine, David Natcher, Aaron Peskan.

FILED.

001007 **[Administrative Code Chapter 31]**

Supervisor Kaufman

Ordinance rescinding Administrative Code Chapter 31 and enacting new Administrative Code Chapter 31 to adopt procedures and fees to implement the California Environmental Quality Act.

(Rescinds Administrative Code Chapter 31.)

5/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 6/29/2000. Sponsor requests this item be scheduled for the July meeting.

7/13/00, CONTINUED. Speakers: None. Continued to August 1, 2000.

Heard in Committee. Speakers: Hilary Gitelman, Planning Department; Kate Stacy, Deputy City Attorney; Aaron Peskan; Liv Ling Chen; Sue Hestor; Eric Quesada; Robert Haaland; Rob Eshelman; Chris Daly; Marc Soloman; Evelyn Wilson; Nick Pasquariello; Hank Wilson; John Bardis; Joan Girardot.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

000800 **[Board of Appeals - Business Tax Code]**

Supervisor Kaufman

Ordinance amending Article 1, Section 14, of the Business and Tax Regulations Code to provide that any immediately adjacent property owner or owners who requested discretionary review of a permit by the Planning Commission and prevailed, in whole or in part, shall have the status of a party in any appeal of the permit to the Board of Appeals.

5/1/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 5/31/2000.

5/15/00, SUBSTITUTED. Supervisor Kaufman submitted a substitute ordinance bearing same title. Sponsor requests this item be scheduled for the June 6, 2000 meeting.

5/15/00, ASSIGNED to Audit and Government Efficiency Committee.

6/12/00, SUBSTITUTED. Supervisor Kaufman submitted a substitute ordinance bearing same title.

6/12/00, ASSIGNED to Audit and Government Efficiency Committee.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001331 **[Refunding Bonds]**

Supervisor Kaufman

Ordinance amending Chapter 43 of Part I of the San Francisco Municipal Code (Administrative Code), by amending Section 43.1.26, to clarify and correct the City's authorization to issue Refunding Bonds.

(Amends Section 43.1.26.)

7/17/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 8/16/2000. Pursuant to Rule 5.42, the President waived the thirty day rule restriction on this matter.

7/26/00, TRANSFERRED to Audit and Government Efficiency Committee.

Speakers: None

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001292 **[Accepting a gift of utility construction costs for an accessible public bathroom at Pioneer Park]**

Resolution accepting a gift of $20,000 from the DeCaux Corporation for utility construction costs at Pioneer Park. (Public Works Department)

7/12/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee; Speakers: Theresa Burke, Public Works Department.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

LITIGATION

Conference with City Attorney

(Convene in Closed Session)

Motion that the Audit and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session

001233 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Vincent Bigiolli and Regina Estella against the City and County of San Francisco for $162,500. The lawsuit was filed on November 25, 1998 in the Superior Court of San Francisco, Case No. 999512 entitled Vincent Bigiolli and Regina Estella v. City and County of San Francisco. (City Attorney)

6/28/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated May 22, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001294 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of City and County of San Francisco against Michael and Aine Cafferkey for $342,500.00. (City Attorney)

(Superior Court No. 305-058; date filed: July 21, 1999.)

7/12/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated July 12, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001295 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of Najah Rabah and the City and County of San Francisco, San Francisco Department of Public Health, et al. for $33,000.00. (City Attorney)

(Superior Court No. 304867; date filed: July 13, 1999.)

7/12/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated May 31, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001296 **[Settlement of Lawsuit, Amending Ordinance 262-98]**

Ordinance amending Ordinance 262-98 which approved a settlement of the lawsuit in Commercial Interiors Construction, Inc. v. City and County of San Francisco, et al., San Francisco Superior Court, Case No. 990-209, relating to the Chinatown Branch Library Project for $285,016.13 and release of the City's claims to contract retention. (City Attorney)

(Date filed: October 9, 1997.)

7/12/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated July 11, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001297 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of People of the State of California, et al. v. Pacific Gas & Electric Company for the amount of Two Hundred Fifty Thousand Dollars ($250,000). (City Attorney)

(Case Number: Not yet assigned (complaint and stipulated judgment to be filed upon settlement); date filed: October 13, 1998.)

7/12/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated June 28, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

Deputy City Attorney Ted Lakey reported that the Audit and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose deliverations.

ADJOURNMENT

The meeting adjourned at 3:50 p.m.

90.043
1
9/5/00
Cancelled

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

NOTICE OF CANCELLED MEETING

AUDIT AND GOVERNMENT EFFICIENCY COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meeting of the Audit and Government Efficiency Committee scheduled for Tuesday, September 5, 2000, at 1:00 p.m. at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

California Newspaper Service Bureau, Inc.
San Francisco Independent
9/2/00 1t

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[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

0.043

3/00

CITY AND COUNTY OF SAN FRANCISCO

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PUBLIC LIBRARY

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

September 28, 2000

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: October 3, 2000 Audit and Government Efficiency Committee Meeting

Item 11 – File 00-1502

Department: Public Library

Item: Resolution authorizing the San Francisco Public Library to accept and expend a gift in cash of $196,200 from the Friends and Foundation of the San Francisco Public Library to conduct a branch library facilities study.

Gift Amount: $196,200.

Source of Funds: Friends and Foundation of the San Francisco Public Library. (See Comment 1).

Description: The Friends and Foundation of the San Francisco Public Library is proposing to give the San Francisco Public Library a gift of $196,200 to conduct a comprehensive assessment of 19 of the 26 existing neighborhood branch facilities (see Comment 2). The Bureau of Architecture, Department of Public Works (DPW), would conduct the facilities study on behalf of the Library.

The scope of the study includes analysis of library services, programs and collections in the branch system; development of a facilities database including assessments of architectural, landscape, structural,

mechanical, electrical, civil and hazardous materials elements at each branch; demographic analysis and projections; development of site selection criteria and generic building programs for various types of facilities; and, analysis of potential scenarios for project completion and funding.

According to Mr. George Nichols of the Public Library, the facilities study's findings will permit the Library to favorably compete for Proposition 14 State Library Construction Funds. Proposition 14, approved by the State's voters in March of 2000, provides $350 million of competitive Statewide grant funds to either add new library space or renovate existing space. Proposition 14 funds require a 35 percent local match.

The study's findings will also facilitate both branch renovation and construction planning should the Branch Library Improvement Bond for $105,865,000 be approved by the San Francisco voters in November of 2000.

Budget:

A summary of the proposed branch library facilities study budget is as follows:

Review of existing data	$4,320
Citywide demographics	5,040
Committee meetings and staff programming workshops	5,400
Facilities survey of 19 existing branch libraries	88,920
Design guidelines for Carnegie Libraries	10,080
Siting criteria for 5 new branch libraries	36,000
Design guidelines for new and existing branch libraries	14,760
Funding Mechanisms	1,800
Implementation Scenarios	15,120
Final Report Preparation	14,760
TOTAL	**$196,200**

The Attachment, provided by the Library, includes a detailed budget for the proposed facilities study. As shown in the Attachment, the average hourly rate would be $90, and an estimated total of 2,180 hours would be required for DPW to complete the proposed study.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. The Friends and Foundation of the San Francisco Public Library is a nonprofit organization dedicated to raising funds to assist the San Francisco Public Library.

2. The proposed facilities study will not examine 4 branch libraries in leased facilities (Visitacion Valley, Ingleside, Portola and Glen Park), 2 recently renovated branch libraries (Mission and Chinatown) and 1 new branch library (Ocean View). According to Mr. Nichols, the proposed facilities study will recommend sites to replace the four leased locations and also recommend a site for a new branch library in the Mission Bay.

3. According to Mr. Nichols, the proposed facilities study is consistent with the Library's strategic plan and mission, as per the Library Commission.

Recommendation: Approve the proposed resolution.

San Francisco Branch Libraries Facilities Plan
Fee Proposal for Bureau of Architecture Services
August 29, 2000

Section	Task Description	Average Hourly Rate	No. of Hours		Totals
1	**Review of Existing Data**				
	1.1. Background and history of SF Branch Library System	$90.00	8		$ 720
	1.2 Previous studies research	$90.00	8		$ 720
	1.3 Review current Library Services and Programs data	$90.00	8		$ 720
	1.4 Review current Collections and Materials data	$90.00	8		$ 720
	1.5 Incorporate and assemble supporting data and reports	$90.00	16		$ 1,440
	Sub-total		48		$ 4,320
2	**Citywide Demographics**				
	2.1 Develop demographic characteristics	$90.00	16		$ 1,440
	2.2 Analyze data and summarize City trends	$90.00	20		$ 1,800
	2.3 Evaluate demographic impacts on system	$90.00	20		$ 1,800
	Sub-Total		56		$ 5,040
3	**Committee Meetings and Staff Programming Workshops**				
	3.1 Attend Steering Committee meetings	$90.00	12		$ 1,080
	3.2 Attend Advisory Committee meetings	$90.00	16		$ 1,440
	3.3 Attend staff workshops	$90.00	16		$ 1,440
	3.4 Review Library Consultant report and recommendations	$90.00	16		$ 1,440
	Sub-total		60		$ 5,400
4	**Facilities Survey of 19 Existing Branch Libraries**				
			EACH	QTY	
	4.1 Review existing plans, documents and studies	$90.00	6	19	$ 10,260
	4.2 Site verification of existing conditions	$90.00	6	19	$ 10,260
	4.3 Assessment: Architecture, Structural, MEP Issues	$90.00	20	19	$ 34,200
	4.4 Validate/update capital program costs	$90.00	20	19	$ 34,200
	Sub-Total		988		$ 88,920
5	**Design Guidelines for Carnegie Libraries**				
	5.1 Historic preservation issues	$90.00	24		$ 2,160
	5.2 Building systems evaluation	$90.00	40		$ 3,600
	5.3 Protection/evaluation of historic finishes, hardware etc.	$90.00	16		$ 1,440
	5.4 Protection of landscaping	$90.00	16		$ 1,440
	5.5 Accessibility issues	$90.00	16		$ 1,440
	Sub-Totals		112		$ 10,080

San Francisco Branch Libraries Facilities Plan
Fee Proposal for Bureau of Architecture Services
August 29, 2000

Section	Task Description	Average Hourly Rate	No. of Hours		Totals
6	**Siting Criteria for 5 New Branch Libraries**		EACH	QTY	
	6.1 Target potential sites	$90.00	12	5	$ 5,400
	6.2 Develop proximity criteria, transportation links	$90.00	8	5	$ 3,600
	6.3 Analyze urban / neighborhood context (zoning constraints)	$90.00	8	5	$ 3,600
	6.4 Cost comparison of Site Options	$90.00	32	5	$ 14,400
	6.5 Cost benefit analysis of Preferred Option per site	$90.00	20	5	$ 9,000
	Sub-Total		400		$ 36,000
7	**Design Guidelines for New and Existing Branch Libraries**				
	7.1 Siting, Landscaping	$90.00	8		$ 720
	7.2 Review of program spaces, orientation and adjacencies	$90.00	16		$ 1,440
	7.3 Building envelope	$90.00	16		$ 1,440
	7.4 Furnishings, fixtures and equipment	$90.00	16		$ 1,440
	7.5 Building finishes	$90.00	16		$ 1,440
	7.6 Lighting design criteria	$90.00	16		$ 1,440
	7.7 Telecommunications, HVAC and electrical systems	$90.00	48		$ 4,320
	7.8 Accessibility	$90.00	12		$ 1,080
	7.9 Security	$90.00	16		$ 1,440
	Sub-Totals		164		$ 14,760
8	**Funding Mechanisms**				
	8.1 List gifts, endowments, trusts, corporate sponsors	$90.00	4		$ 360
	8.2 Investigate partnering potential with Schools, Recreation Facilities	$90.00	8		$ 720
	8.3 Cost benefit analysis of various partnering options	$90.00	8		$ 720
	Sub-Total		20		$ 1,800
9	**Implementation Scenarios**				
	9.1 Develop project prioritization criteria	$90.00	24		$ 2,160
	9.2 Develop scheduling scenarios	$90.00	80		$ 7,200
	9.3 Evaluate relocation options	$90.00	40		$ 3,600
	9.4 Evaluate operational impacts per scenario	$90.00	24		$ 2,160
	Sub-Total		168		$ 15,120

San Francisco Branch Libraries Facilities Plan
Fee Proposal for Bureau of Architecture Services
August 29, 2000

Section	Task Description	Average Hourly Rate	No. of Hours	Totals
10	**Final Report Preparation**			
	10.1 Prepare and distribute Draft Report	$90.00	84	$ 7,560
	10.2 Quality Assurance Review			
	Architecture	$90.00	16	$ 1,440
	Real Estate	$90.00	4	$ 360
	Engineering	$90.00	8	$ 720
	Planning	$90.00	12	$ 1,080
	Cost Estimating	$90.00	16	$ 1,440
	10.3 Incorporate review comments	$90.00	16	$ 1,440
	10.4 Publish and distribute final report	$90.00	8	$ 720
	Sub-total		164	$ 14,760

FEE SUMMARY

Section	TASK	TOTAL
1	Review of Existing Data	$ 4,320
2	Citywide Demographics	$ 5,040
3	Committee Meetings and Staff Programming Workshops	$ 5,400
4	Facilities Survey of 19 Existing Branch Libraries	$ 88,920
5	Design Guidelines for Carnegie Libraries	$ 10,080
6	Siting Criteria for 5 New Branch Libraries	$ 36,000
7	Design Guidelines for New and Existing Branch Libraries	$ 14,760
8	Funding Mechanisms	$ 1,800
9	Implementation Scenarios	$ 15,120
10	Final Report Preparation	$ 14,760
	TOTAL	$196,200

San Francisco Branch Libraries Facilities Plan
Project Task Breakdown

Department Name	Tasks										Totals
	Review Existing Data	City Wide Demographics	Committee Meetings and Workshops	Facilities Survey of 19 Existing Libraries	Design Guidelines for Carnegie Branches	Siting Criteria for New Branches	Design Guidelines for New and Existing Branches	Funding Mechanisms	Implement. Scenarios	Prepare Final Report	
Bureau of Architecture	$ 4,320	$ 5,040	$ 5,400	$ 52,320	$ 10,080	$ 19,000	$ 14,760	$ 1,800	$ 15,120	$ 14,760	$ 142,600
Bureau of Engineering											
Structural				$ 15,600							$ 15,600
Mechanical				$ 10,500							$ 10,500
Electrical				$ 10,500							$ 10,500
Real Estate						$ 12,000					$ 12,000
City Planning						$ 5,000					$ 5,000
Totals	$ 4,320	$ 5,040	$ 5,400	$ 88,920	$ 10,080	$ 36,000	$ 14,760	$ 1,800	$ 15,120	$ 14,760	$ 196,200

Item 12 – File 00-1394

Department:	Mayor's Office
Item:	Resolution authorizing the Mayor to accept a gift of a 1931 Lincoln V-8 four-door sedan from Mr. John Traina for use in the City's ceremonies, parades, events and other special occasions.
Estimated Gift Value:	$80,000, as estimated by Mr. John Traina.
Source of Gift:	Personal gift from Mr. Traina.

Description:

Approval of the proposed resolution would authorize the Mayor's Office to accept a 1931 Lincoln V-8 four-door sedan donated by Mr. Traina. Mr. Traina indicated that the sedan must be used for civic events, which would include parades, City ceremonies and events.

Comments:

1. According to Ms. Karin Carlson from the Mayor's Office, the Police Department would store the sedan along with the 1931 Lincoln convertible that the City already owns and uses for civic ceremonies. According to Mr. Andres Acevedo from the Police Department, the sedan would be stored in the Hall of Justice basement at no additional cost to the Police Department.

2. Ms. Taylor Emerson of the Mayor's Office, indicates that the Department of Administrative Services, Central Shop Division would provide maintenance of the additional Lincoln sedan. Mr. Jim Johnson from Central Shops states that the estimated annual maintenance costs would be approximately $3,000 because car parts for a 1931 Lincoln are expensive and have to be special ordered. Mr. Johnson further states that he based this estimate on the average maintenance costs over the past five years of the existing 1931 Lincoln convertible, however Mr. Johnson has not examined the subject gift to evaluate its operating condition. Mr. Johnson also estimates that the fuel costs per year would be approximately $200, based on current fuel costs and the assumption that the car would be driven 100-200 miles. Although Central Shop has not evaluated the operating condition of the vehicle, according to Ms. Emerson, these

additional maintenance and operating costs of approximately $3,200 a year would be funded by the Police Department's budget.

3. Ms. Emerson indicates that the vehicle would be insured under the City's existing self-insured plan. According to Ms. Emerson, there are no stipulations that would prevent the sale of the car should the City choose to sell the car at a future date, although that is not the intent of the Mayor's Office.

Recommendation: Approve the proposed resolution.

Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
Clerk of the Board
Controller
Stephen Kawa

[All Committees]
Government Document Section
Main Library

City and County of San Fran
Meeting Minutes
Audit and Government Efficiency Committee

94102-4689

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Gregoire Hobson

Tuesday, October 03, 2000 | **1:00 PM** | **City Hall, Room 263**

Regular Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

Meeting Convened

The meeting convened at 1:02 P.M. Supervisor Katz was noted present at 2:23 P.M.

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AGENDA CHANGES

REGULAR AGENDA

001658 **[Independent Auditors' Interim Management Letters]**

Supervisor Kaufman

Hearing to consider the independent auditors' interim management letters and comments related to the June 30, 2000 audit of the City, in accordance with Charter Section 9.117.

9/18/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Ed Harrington, Controller; Tiffany Rassmuson; Mark Dunn, Deputy Director, Health Service System; Tom Piper; Jennifer Coleman.

FILED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001504 [Advisory Board Report - Union Square Business Improvement District]

Supervisor Kaufman

Motion approving the Annual Report prepared by the Advisory Board to the Union Square Business Improvement District for fiscal year 1999-2000.

8/21/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Sponsor requests this item be scheduled for consideration at the September committee meeting.

Heard in Committee. Speaker: Leigh Ann Matsche, Executive Director, Union Square Improvement District.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001355 [Repealing regulations prohibiting the City from doing business with Burma]

Supervisor Newsom

Ordinance amending Part I of the San Francisco Municipal Code (Administrative Code), by repealing Chapter 12J (Sections 12J.1 through 12J.9), regarding doing business with Burma.

(Amends Chapter 12J, Sections 12J.1 through 12J.9.)

7/24/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001436 [Official City Bird]

Supervisor Katz

Ordinance amending Chapter 1, Part I of the San Francisco Municipal Code (Administrative Code) by adding Section 1.5-3, designating the California Quail as the official City bird.

8/7/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/6/2000.

Heard in Committee. Speakers: Edward Evans, Community Resource Action Project; Allen Hopkins, Past President, Audubon Society; Arthur Feinstein, Executive Director, Golden Gate Audubon Society.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001309 **[Administrative Code Revision, Chapter 24A, Rent Supplement Program Administration]**

Supervisor Kaufman

Ordinance amending Administrative Code Chapter 24A "Administrative Structure Local Rent Supplement Program in the Office of the Mayor" by amending Sections 24A.01 through 24A.21: to reflect prior conversion of "City Administrative Officer" to "City Administrator in the Charter and Codes"; to reflect prior Municipal Code changes regarding funding allocations under Business and Tax Regulations Code Article 7 ("Tax on Transient Occupancy of Hotel Rooms"); to use the HUD definition of low income households; to set a maximum rent supplement contract term of 10 years, which can be renewed; to provide for discontinuation of rent supplement payments when 30 percent of a tenant's income is sufficient to pay the full rent payment (increased from 25 percent in the current code); to reflect the relationship of this Chapter with Federal and State relocation statutes and regulations, and with United States District Court orders and agreements in Case No. C-69 324 SAW, and technical changes including renumbering as required.

(Amends Sections 24A.01 through 24A.21.)

7/17/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 8/16/2000.

Heard in Committee. Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001489 **[Workers' Compensation Council]**

Supervisor Kaufman

Ordinance amending Chapter 16, Article VIII-A of Part I of the San Francisco Municipal Code (Administrative Code), by amending Sections 16.121-1 through 16.121-5, to replace the Central Safety Committee with a Workers' Compensation Council, to be chaired by the Human Resources Director, and making other conforming amendments, and amending Chapter 2A, Article II, of Part I of the San Francisco Municipal Code (Administrative Code), by amending Section 2A.31, to coordinate departmental responsibility for Workers' Compensation costs with the Workers' Compensation Council.

8/21/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/20/2000.

Heard In Committee. Speakers: None.
Amendment of the Whole bearing same title.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001491 **[Administrative Code Revision - Medical Exams]**

Supervisor Kaufman

Ordinance amending Chapter 16, Article IV, of Part I of the San Francisco Municipal Code (Administrative Code), by repealing Sections 16.89, 16.89-1, and 16.89-2, dealing with medical examinations for certain City employees.

8/21/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/20/2000.

Heard in Committee. Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001548 [Administrative Code Revision, Chapter 34]

Supervisor Kaufman

Ordinance amending Chapter 34 of Part I of the San Francisco Municipal Code (Administrative Code), by amending Sections 34.1 through 34.6, regarding giving notice to the Assessor when a variance or conditional use is granted.

8/28/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/27/2000.

Heard in Committee. Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001354 [Minor Sidewalk Encroachment Permit Appeals]

Supervisor Kaufman

Ordinance amending Section 723.2 of the San Francisco Public Works Code to provide that the Board of Supervisors shall make a decision regarding a minor sidewalk encroachment permit appeal within 30 days of the time set for the hearing on the appeal, or the decision of the Director of Public Works shall stand as the final decision; providing procedures for considering and deciding the appeal.

7/24/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 8/23/2000.

7/31/00, SUBSTITUTED. Supervisor Kaufman submitted a substitute ordinance bearing new title.

7/31/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 8/30/2000.

Heard in Committee. Speakers: Edward Evans, Community Resource Action Project; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001550 [Grand Jury Reports Public Hearings]

Supervisors Kaufman, Bierman

Ordinance amending Section 2.10 of the San Francisco Administrative Code to provide that the Board of Supervisors may conduct a public hearing to consider a final report of findings and recommendations submitted to the Board by the Civil Grand Jury, rather than require a public hearing, since the Board of Supervisors does not always have jurisdiction over issues or departmental activities reviewed in a final report submitted by the Civil Grand Jury.

8/28/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/27/2000.

Heard in Committee. Speakers: Gloria L. Young, Clerk of the Board, Board of Superviors; Hilda Bernstein, former Foreperson, Civil Grand Jury; Mara Kopp, Good Government Alliance; Ron Miguel former Foreperson, Civil Grand Jury; John Shanley; Allen Nicholson; Bob Planthold, Civil Grand Jury.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001502 **[Gift Acceptance - Public Library]**

Supervisor Kaufman

Resolution authorizing the San Francisco Public Library to accept and expend a gift of $196,200 from the Friends & Foundation of the San Francisco Public Library to conduct a Branch Library Facilities Study.

8/21/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Sponsor requests this item be scheduled for consideration at the September committee meeting.

Heard in Committee. Speakers: George Nichols, Finance Director, Public Library; Teri LaMont, Bureau of Architecture, Department of Public Works.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

001394 **[Gift Acceptance]**

Mayor

Resolution authorizing the Mayor to accept a gift of a 1931 Lincoln V-8 four-door sedan from Mr. John Traina for use in the City's ceremonies, parades, events and other special occasions.

7/31/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Karen Carlson, Office of the Mayor.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Newsom
Absent: 1 - Katz

LITIGATION

Conference with City Attorney

(Convene in Closed Session)
Motion that the Audit and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session.

001378 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Wae Son Jensen, individually and as administratrix of the Estate of Mi Pun Kim against the City and County of San Francisco for $30,000.00; the lawsuit was filed on September 24, 1999 in Superior Court, Case No. 306-739; entitled Wae Son Jensen, Individually and as Administratrix of the Estate of Mi Pun Kim, et al., v. City and County of San Francisco, et al.; other material terms of said settlement are plaintiff shall be responsible for any and all liens related to this action. (City Attorney)

7/26/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated April 26, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001470 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco and the Environmental Law Foundation against Matco-Norca for $10,000, which will be divided as follows: $5,000 as partial reimbursement to the Environmental Law Foundation for its costs in prosecuting this action, $2,500 as partial reimbursement to the City and County of San Francisco for its costs in prosecuting this action, and $2,500 into a Cy Pres fund to support projects to improve water quality in the State of California; the lawsuit was filed on December 28, 1999 in the Superior Court of California for the City and County of San Francisco, Case No. 308832; entitled the people of the State of California by and through San Francisco City Attorney Louise H. Renne, et al., v. Matco-Norca, et al.; other material terms of said settlement are: (1) prior to August 1, 2000, Matco-Norca shall provide a Proposition 65 "Hand Tag" warning sign securely affixed on all brass ball shut off valves it manufactures and intended for sale or use in California whose NSF test statistic Q for lead leached into water is greater than 5 micorgrams per liter; (2) as of August 1, 2000, all brass ball shut off valves manufactured by a Matco-Norca and intended for sale or use in California shall have a NSF test statistic Q for lead leached into water that is less than or equal to 5 micrograms per liter; (3) by August 1, 2000, Matco-Norca shall submit a certificate of compliance to the Environmental Law Foundation that brass ball shut off valves it manufactures and intended for sale or use in California are in compliance with the terms of this agreement; (4) Matco-Norca shall submit an amended certificate of compliance to the Environmental Law Foundation within three days of shipment for sale or use of brass ball shut off valves that are not covered by the original certificate of compliance. (City Attorney)

8/3/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated July 31, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001472 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of San Mateo County Transit District against City and County of San Francisco for $3,500.00. (City Attorney)

(San Mateo County Superior Court No. 405-958; date filed: August 18, 1998.)

8/4/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated July 26, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001477 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Craig Banks against the City and County of San Francisco for $125,000; the lawsuit was filed on April 3, 1998 in San Francisco Superior Court, Case No. 994-115; entitled Craig Banks v. City and County of San Francisco; other material terms of said settlement are as follows: (a) the City will pay $89,258 as back pay for fiscal years 1997-1998, 1998-1999 and for half of fiscal year 1999-2000; (b) the City shall pay $7,742 to plaintiff as general damages; and (c) the City will pay $28,000 in Attorney's fees to Banks, his attorney, Thomas F. Doyle, and the law firm of Ross & Linneball, to be held in escrow by Thomas Doyle pending the resolution of the Attorney's fees lien held by Ross & Linneball. (City Attorney)

8/9/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated July 18, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001512 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of City and County of San Francisco against Frank and Maureen Cafferkey for $400,000.00. (City Attorney)

(S.F. Superior Court No. 305-404; date filed: August 3, 1999.)

8/16/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated July 26, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

After a closed session, if one occurs, the Committee shall adopt a motion either to disclose or not to disclose.

Deputy City Attorney Ted Lakey reported that the Audit and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose deliveratoins.

ADJOURNMENT

The meeting adjourned at 3:05 P.M.

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

CF
S90.043
#1
11/7/00
rescheduled
to
11/16/00

NOTICE OF RESCHEDULED MEETING

AUDIT AND GOVERNMENT EFFICIENCY COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the regular meeting of the Audit and Government Efficiency Committee of the San Francisco Board of Supervisors scheduled for Tuesday, November 7, 2000, at 1:00 P.M., has been rescheduled to **Thursday, November 16, 2000**, at **1:00 P.M.**, at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California.

Gloria L. Young, Clerk of the Board

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

November 9, 2000

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: November 16, 2000 Audit and Government Efficiency Committee Meeting

Item 2 – File 99-1150

Note: This item was continued from the Audit and Government Efficiency meeting of June 6, 2000.

1. This is a hearing to consider the status of workers' compensation claims at the Municipal Railway and to discuss what steps Muni is taking to curb abuses of such workers' compensation claims.

2. The table below presents a comparison of Muni's budgeted and actual workers' compensation expenditures for the past two complete fiscal years.

Fiscal Year	Budgeted Expenditures	Actual Expenditures	Actual Expenditures Over Budgeted Expenditures	Percent Over Budget
1998-99	$ 16,048,000	$ 20,198,878	$ 4,150,878	25.9%
1999-00	18,800,000	19,155,442	355,442	1.9%

3. According to Mr. Jeff Gary, Workers' Compensation Manager for the Department of Public Transportation, the Muni will make a presentation to the Audit and Government Efficiency Committee at its November 16, 2000 meeting. The presentation will provide the Committee with updated information on steps implemented by Muni to improve management and cost control of workers' compensation claims. Mr. Gary reports that the Department of Public Transportation will also provide the Audit and Government Efficiency Committee with a projected annual workers' compensation expenditure estimate for FY 2000-01 based on the first three months of the Fiscal Year.

Comment

The amount budgeted for Muni workers' compensation expenditures for FY 2000-01 is $19,000,000.

According to Mr. Gary and Mr. Matthew Hymel, Chief Assistant Controller, actual Muni workers' compensation expenditures for the first three months of FY 2000-01 (July 1, 2000 through September 30, 2000) were $4,524,873. Based on this level of expenditures for the first quarter of the fiscal year, the Controller and the Department of Public Transportation estimate that total FY 2000-01 Muni workers' compensation expenditures would be approximately $18,400,000 or $600,000 less than the FY 2000-01 budget amount of $19,000,000.

Item 5 – File 00-1813

Department:	Department of Parking and Traffic (DPT)
Item:	Resolution authorizing the acceptance of a gift of eleven photo-enforcement cameras from the State of California, Department of Transportation
Estimated Gift Value:	$762,867
Source of Gift:	State Department of Transportation (Caltrans)

Description:

In October of 1996, the City implemented the Red Light Photo Enforcement Program. The Program, which began as a pilot project, installed five cameras at five street intersections in the City to detect vehicles which run red lights. As a result of the Red Light Photo Enforcement Program, the Department of Parking and Traffic (DPT) found that the number of red light runners at the camera-enforced intersections dropped more than 40 percent. The pilot Program was expanded in December of 1998 to include a total of 16 cameras at 31 intersections throughout the City.

Approval of the proposed resolution would authorize the DPT to accept a gift of eleven photo-enforcement cameras from Caltrans to detect vehicles that run red lights at the following five intersections: (1) Park Presidio Boulevard and Lake Street, (2) Park Presidio and Geary Boulevards, (3) Park Presidio Boulevard and Fulton Street, (4) Marina Boulevard and Lyon Street, and (5) Route 101/Richardson Avenue and Francisco Street. Each of the subject five intersections will have more than one photo-enforcement camera. Acceptance of these eleven photo-enforcement cameras will bring the total number of cameras to 27.

Budget:

A budget for the subject gift, provided by the DPT, is as follows:

Cameras (11 @ $53,708 each)	$ 590,788
Loop Detectors[1] (64 @ $1,047.50 each)	67,040
Housing Units[2] and Poles (11 @ $7,053 each)	77,583
Flash Units (11 @ $2,496 each)	27,456
TOTAL	**$ 762,867**

Comments:

1. The subject gift is part of the expansion of the Red Light Photo Enforcement Program. Including these eleven cameras, the Program will have a total of 27 cameras at 72 intersection approaches at 36 intersections throughout the City. Caltrans will fund the installation of the cameras at the five designated intersections. The subject equipment given to the City by Caltrans is compatible with the current system and eventually will be rotated among the 36 intersections that will have photo-taking capabilities. According to Mr. David Valle-Schwenk of the DPT, Caltrans expects to select a company to install the equipment through a competitive bidding process. The installation project will be put out to bid in January of 2001.

2. According to Mr. Valle-Schwenk, the DPT's current contract with PRTW Services, Inc., provides for the operation and maintenance of the subject eleven cameras as part of the City's Red Light Photo Enforcement Program. Mr. Valle-Schwenk states that the operating and maintenance costs for the subject eleven cameras will be approximately $325,120 per year, which includes operating costs, loop detector repair, and electrical maintenance costs. Mr. Valle-Schwenk reports that $320,100 of the $325,120 in annual operating and maintenance costs will be paid with revenue generated by the Red Light Photo Enforcement Program (see Comment No. 3). Additional maintenance costs for the infrastructure, totaling approximately $5,020 per year for

[1] Loop detectors are wires embedded in the roadway by saw-cutting to detect the presence of vehicles on the road.

[2] Housing units are the boxes in which the cameras sit. They have a motorized attachment to the poles, which allows the housing units to be raised or lowered to install and change film, and to install and remove the cameras.

costs such as loop detector repair and electrical maintenance costs, will be paid from the DPT's General Operating Fund. The maintenance costs for the cameras are paid for by PRTW Services under the terms of the contract at no additional expense to the City.

3. Mr. Valle-Schwenk reports that the City receives $147.98[3] per ticket issued for running a red light and that the Red Light Photo Enforcement Program has generated approximately 50 tickets per camera per month, from December of 1996 through September of 2000. Therefore, the expected annual revenue from the installation of the gift of the eleven cameras, would be $976,668, of which $656,568 is the City's portion ($99.48 per ticket) and $320,100 is paid to PRWT to cover the operating costs for the subject eleven cameras ($48.50 per ticket). According to Mr. Valle-Schwenk, the expected annual revenue of $976,668 generated by the Red Light Photo Enforcement Program will be deposited into the City's General Fund and distributed to the DPT, which will then transfer $320,100 to PRWT.

Recommendation: Approve the proposed resolution.

[3] The State-mandated cost of a ticket for running a red light is $271, of which the City receives $147.98. In the contract between DPT and PRTW Services, Inc. to operate and maintain the cameras, PRWT receives $48.50 per citation. The City's revenue, therefore, is $99.48 per ticket ($147.98 less $48.50).

Item 6 – 00-1549

Department: Health Services System (HSS)
Department of Human Resources (DHR)

Item: Ordinance amending Chapter 16, Article XV, Part I of the San Francisco Municipal Code (Administrative Code), by amending Sections 16.700 and 16.701 regarding participation in the Health Service System, and amending Chapter 16, Article IX, by renumbering Section 16.157 as Section 16.703, regarding Board approval of Health Service System plans and contribution rates.

Description: The proposed ordinance would amend Chapter 16, Article XV, Part I of the Administrative Code to provide that all regular, full-time provisional City employees become a part of the City Health Service System from the time that they are hired. Currently, with one exception (see Comment No. 2) all full-time provisional employees must be employed with the City for six months before they are eligible to become a part of the City Health Service System, and thus receive contributions to their health insurance from the City.

According to Mr. Geoff Rothman of DHR, the proposed resolution would affect an estimated 206 employees of the City who are new full-time provisional employees (see Comment No. 2), and who are currently not enrolled in the City Health Service System.

Comments: 1. Contributions under the Health Service System currently include contributions for health care for employees, dental care for employees, and health and dental care for dependants of employees. According to Mr. Rothman, the FY 2000-2001 average monthly contribution for these benefits currently paid by the City is $458.33 per month, or $5,499.96 annually, for each eligible, active employee.

2. Mr. Rothman states that the number of new full-time provisional employees estimated by DHR is 445. However, Mr. Rothman notes that approximately 239 of those 445 new employees worked for the City prior to assuming their current provisional position. According to

Mr. Rothman, those individuals are already enrolled in the City Health Service System by virtue of their prior employment with the City. Thus, the number of new full-time provisional employees that would actually benefit from the proposed amendment is 206 (445 less 239).

3. As indicated above, the proposed amendment would allow an estimated 206 new full-time provisional City employees to enroll in the City Health Services System. Where new full-time provisional employees would have become enrolled after six months of employment, now each full-time provisional employee would become enrolled upon being hired. Thus, the annual cost to the City of the proposed ordinance is estimated to be the equivalent of six months of City contributions on behalf of each new full-time provisional employee, or approximately $2,749.98 per employee ($458.33 per month for six months). According to Mr. Rothman, based on DHR's estimate of 206 new eligible full-time provisional employees in FY 2000-2001, this equates to an estimated total annual cost of $566,496.

4. According to Mr. Rothman, the departmental location of new provisional employees is constantly in flux, as provisional employees are assigned to various departments as the need for these employees arises. As such, Mr. Rothman states, it is difficult to determine which City departments would incur these additional costs. Thus, DHR is unable to determine what portion of the costs associated with the proposed amendment would be paid from the General Fund, and what portion would be paid from one or more of the City's Enterprise Funds.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 7 – File 00-1007

Note: This item was re-referred to the Audit and Government Efficiency Committee by the Board of Supervisors at the Board's meeting of August 28, 2000.

Item: Ordinance repealing Administrative Code Chapter 31 and enacting new Administrative Code Chapter 31 to adopt procedures and fees to implement the California Environmental Quality Act (CEQA).

Description: Chapter 31 of the Administrative Code currently outlines the City's responsibilities in implementing the California Environmental Quality Act (CEQA). However, according to the City Attorney's Office, much of Chapter 31 is now out-of-date or obsolete due to changes in State law. The proposed ordinance would repeal Chapter 31 in its current form and enact a new Chapter 31 which, according to the City Attorney's Office, streamlines, updates and conforms Chapter 31 to the requirements and provisions of CEQA.

Overall, according to Ms. Kate Stacy of the City Attorney's Office, the proposed ordinance eliminates substantive interpretations of CEQA contained in the current version of Chapter 31, in order to preclude additional revisions to the Administrative Code based upon future changes in State law. The proposed new Chapter 31 focuses on the City's procedural requirements under CEQA.

The proposed revision of Chapter 31 of the Administrative Code adds one new procedure. The new Chapter 31 would allow the public to appeal certification of certain Environmental Impact Reports (EIR) to the Board of Supervisors. Currently, the public can submit comments on draft EIRs to the Planning Commission, either in writing or orally, during the public comment period. The Planning Commission must respond in writing to these comments. However, the public has no formal process for appealing an EIR once it has been certified by the Planning Commission. Under the proposed revision of Chapter 31, Section 31.16 would allow any person or organization that has submitted comments to the

Planning Commission on an eligible draft EIR, either in writing during the public review period, or orally or in writing at a public hearing on the EIR, to appeal the Planning Commission's certification of a final EIR to the Board of Supervisors.

For an EIR to be eligible for an appeal to the Board of Supervisors, the Board of Supervisors must already have authority under CEQA to approve or disapprove the underlying project. Examples of cases where the Board of Supervisors has jurisdiction over a project include appeals of conditional use permits and amendments to the Planning Code, the General Plan and zoning maps. The appellant would be required to submit a letter of appeal to the Clerk of the Board within 20 calendar days[1] after the Planning Commission's certification of an EIR, and the Clerk of the Board would then be required to schedule a hearing before the full Board of Supervisors within 30 days. On August 21, 2000, the Board of Supervisors amended the proposed ordinance to allow the Board of Supervisors to extend the time for scheduling the hearing on an appeal of an EIR from 30 days up to 90 days if the membership of the full Board of Supervisors is not present since overturning an EIR requires approval by two-thirds of all members of the Board of Supervisors. According to Ms. Stacy, allowing the public to appeal EIR certification to the locally-elected body conforms with State requirements under CEQA.

When the subject ordinance was first introduced on May 30, 2000, the proposed revision of Chapter 31 included a fee of $1,000 to be paid by the appellant to the Planning Department to help defray the cost to the City of EIR certification appeals to the Board of Supervisors. The proposed ordinance was subsequently amended at the Audit and Government Efficiency meeting of August 1, 2000 to reduce this fee from $1,000 to $209, in response to concerns that the $1,000 fee would be prohibitively high

[1] The original ordinance introduced on May 30, 2000 stated that the appellant would be required to submit a letter of appeal to the Clerk of the Board within 10 calendar days after the Planning Commission's certification of an EIR. Subsequently, the Audit and Government Efficiency Committee, at its meeting of August 1, 2000, amended the proposed revision of Chapter 31 to lengthen the period of time within which to appeal the certification of the EIR from 10 days to 20 days.

for appellants. According to the office of the sponsor of this ordinance, the amount of the new $209 was based on the $209 fee that the Planning Department currently charges for appeals to negative declarations, which are rulings by the Planning Department that a specific project will not adversely affect the environment. The subject fee revenues would be used to fund the cost of reproducing the EIR for the Board of Supervisors, as well as the cost of Planning Department staff time. According to the Legislative Digest prepared by the City Attorney's Office, the proposed $209 fee would be refunded to the appellant in the event that the appeal is successful.

Comments:

1. According to Ms. Hillary Gitelman of the Planning Department, the Planning Department has not made a formal estimate of the number of annual EIR appeals the Board of Supervisors may receive. However, Ms. Gitelman does not anticipate that the Board of Supervisors will receive many appeals since the Planning Department only certifies approximately 10 to 20 EIRs per year, and since not all of these EIRs would be eligible for an appeal to the Board of Supervisors. Ms. Gitelman states that she does not believe that the proposed $209 fee would cover the full cost of appeals to the Planning Department.

2. The subject ordinance reflects: (a) the Amendment of the Whole, discussed above, made at the August 1, 2000 Audit and Government Efficiency meeting to reduce the fee charged to appeal certain EIR certifications by the Planning Commission from $1,000 to $209; and, (b) an Amendment of the Whole adopted at the August 21, 2000 meeting of the Board of Supervisors, also discussed above, which lengthened the period of time during which appellants must file appeals and the Board of Supervisors must take action. Subsequently, the proposed ordinance was referred by the Board of Supervisors back to the Audit and Government Efficiency Committee, with a third Amendment of the Whole pending consideration, which further delineates the responsibilities of the Planning Department, including those responsibilities related to record keeping, public notification and public disclosure.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 10 – File 00-1803

Department: Office of Treasurer and Tax Collector
Bureau of Delinquent Revenue Collection (BDRC)

Item: Ordinance amending Part I, Chapter 10, Article V, of the San Francisco Municipal Code (Administrative Code), by amending Section 10.39-1, raising the dollar limit for small debts that may be referred to an outside collection agency, and adding Section 10.40-1, authorizing the Bureau of Delinquent Revenue Collection to recover the collection costs.

Description: The proposed ordinance would amend Chapter 10, Article V, Section 10.39-1 of the City's Administrative Code to increase from $2,500 or less to $4,000 or less, an increase of $1,500, the debts that may be referred by the BDRC to an outside collection agency. The proposed ordinance would also add a section to Chapter 10, Article V to authorize the BDRC to recover collection costs.

Chapter 10, Article V, Section 10.39-1 of the existing Administrative Code states that the Board of Supervisors authorizes the BDRC Director, with the approval of the Tax Collector and Treasurer, to assign any delinquent account to a duly licensed collection agency when the delinquent account is $2,500 or less. The proposed ordinance would amend Section 10.39-1 so that the dollar limit on small debts referred to an outside collection agency is $4,000 or less. The dollar limit of $2,500 or less on small debts referred to an outside collection agency was added to Section 10.39-1 of the Administrative Code in 1988.

Currently, Chapter 10 of the Administrative Code does not address the reimbursement of administrative costs incurred by BDRC for pursuing money owed to the City's various departments. The addition of Section 10.40-1 would grant BDRC the authority to collect any reasonable attorneys' fees, BDRC in-house costs and other costs incurred in prosecuting claims for money owed to the City from either the City departments or the debtor. According to Ms. Florence Mar of the Bureau of Delinquent Revenue Collection, BDRC does

currently charge departments a fee in order to recoup the costs of collecting on delinquent accounts, however BDRC does not have explicit authority to charge such fees. According to Ms. Mar, the amount of the fees the BDRC would charge would vary depending on the level of work required from the BDRC to collect on the delinquent account. Ms. Mar further states that BDRC will negotiate with individual City departments for whom they collect on delinquent accounts, to establish a policy as to whether the department or the individual debtor would be responsible for the reimbursement of the collection costs. Ms. Mar advises that assessing collection fees would more fully account for the BDRC's expenses incurred for collecting for both General Fund and Non-General Fund departments' delinquent accounts.

Comments:

1. According to Ms. Mar, the BDRC collects on unpaid accounts on behalf of various City departments. For example, the Department of Public Health would refer an unpaid bill for General Hospital services provided to a client, which have gone unpaid for at least three months, to BDRC for collection assistance. Ms. Mar advises that the BDRC's main departmental clients are San Francisco General Hospital, Laguna Honda Hospital, the Water Department, the Mayor's Office of Community Development, and the Department of Public Works.

2. Ms. Mar states that the BDRC collection unit has 11.6 full-time equivalent collection employees who each currently manage approximately 30,000 accounts per year, and 1.5 full-time equivalent collection supervisors for a total of 13.1 full-time equivalent employees. Ms. Mar further states that seven of the BDRC's employees are work-order employees, whose salaries and fringe benefits costs are paid for by the department for whom they collect on delinquent accounts. Of these seven work-order employees, Ms. Mar advises that San Francisco General Hospital currently pays for six work-order employees and Laguna Honda pays for one work-order employee. The 6.1 remaining employees are part of the BDRC's annual General Fund salary budget.

3. Ms. Mar advises that BDRC has a four-year statute of limitation in which to collect delinquent accounts. However, when an account is referred to an outside collection agency, the statute of limitation is extended another three years, which, Ms. Mar believes, could increase the probability of recovery. Ms. Mar advises that the BDRC currently contracts with J.J. MacIntyre to collect on delinquent accounts for $2,500 or less. According to Ms. Mar, the delinquent accounts are referred to J.J. MacIntyre only after a BDRC collector has reviewed the account and sent two notices to the debtor to remit payment for his or her unpaid bill. J.J. MacIntyre was selected, according to Ms. Mar, through a Request for Proposal process in September of 1999 for a period of three years, which will extend through September of 2002. The set commission rate paid to J.J. MacIntyre is 25% of what the collection agency is able to collect. The remaining 75% of what the collection agency collects is then remitted to the City and disbursed to the appropriate department. Ms. Mar notes that the commission rate was negotiated down from the earlier contract amount of 35% to 25% with the 1999 contract. The money that the BDRC and J.J. MacIntyre collect is remitted to the departments for whom they have collected the delinquent revenue.

4. According to Ms. Mar, in Fiscal Year 1999-2000 approximately 200,000 delinquent revenue cases were $4,000 or less for a total estimated value of $81,662,223, or an average of $408 per account. Ms. Mar states that allowing BDRC to refer cases of $4,000 or less to an outside collection agency would reduce the caseload of her 11.6 staff members from approximately 30,000 to approximately 12,759 cases per employee. According to Ms. Mar, the lighter caseloads would permit the employees to spend more time pursuing larger delinquent accounts. Ms. Mar further states that not all of the cases for $4,000 or less are collectible and it does take time for BDRC to trace the debtor, analyze for financial hardship and negotiate payment, which takes time away from pursuing larger dollar delinquent accounts. When BDRC and J.J. MacIntyre cannot collect on a delinquent account after

repeated attempts, they will stop their collection efforts and code the account as abandoned.

5. According to Ms. Mar, in FY 1999-2000, BDRC and J.J. MacIntyre collected the following amounts on delinquent accounts:

	Collections
BDRC	$9,767,479
J.J. MacIntyre	160,398
Total	$9,927,877

Ms. Mar advises that because the contract with J.J. MacIntyre was signed in September of 1999, J.J. MacIntyre only collected for ten months during Fiscal Year 1999-2000.

6. Page two, line three, of the proposed ordinance incorrectly states, "by adding Section 10.41-1," when it should read, by adding Section 10.40-1." Therefore, the proposed ordinance should be amended to revise the Section reference.

Recommendations: 1. Amend the proposed ordinance to correct a clerical error on page two, line three, of the proposed ordinance, which states "by adding Section 10.41-1," so that it reads, "by adding Section 10.40-1."in accordance with Comment 6 above.

2. Approve the proposed ordinance, as amended.

Item 12 – File 00-1804

Department: Treasurer/Tax Collector

Item: Ordinance amending Part I, Chapter 10, Article VII, of the San Francisco Municipal Code (Administrative Code), by amending Section 10.46, to reduce from 10 years to 3 years the amount of time the City must hold unidentified tax collections before the monies escheat to the City under State law.

Description: The proposed ordinance would amend one section of Chapter 10, Article VII of the City's Administrative Code in order to reduce the amount of time the Tax Collector must wait to turn over tax collections to the City to three years in accordance with California State law.

Currently, the Chapter 10, Article VII, Section 10.46 of the Administrative Code states that all tax collections remaining unidentified for a period of ten years shall escheat to the City and County in accordance with the provisions of Sections 50050 to 50053 of Government Code, State of California. The proposed ordinance would reduce the waiting period from ten years to three years, a reduction of seven years.

Comment: Based on conversations with Mr. George Putris of the Office of the Treasurer and the Tax Collector and Adine Varah of the City Attorney's Office, a Legal Opinion on the proposed ordinance is pending but will not be available in time for the Budget Analyst to assess whether or not the proposed amendments would have a fiscal impact on the Tax Collector's Office.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
Clerk of the Board
Controller
Stephen Kawa

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City and County of San Fran
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Gregoire Hobson

Thursday, November 16, 2000 | **1:00 PM** | **City Hall, Room 263**

Rescheduled Meeting

Members Present: Barbara Kaufman, Leslie Katz.

Members Absent: Gavin Newsom.

Meeting Convened

The meeting convened at 1:13 P.M.

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REGULAR AGENDA

001779 **[Audit of Adult Probation Department]**

Supervisors Kaufman, Leno, Newsom, Yaki

Hearing to consider the results of the Controller's October 2, 2000 audit of the Adult Probation Department contained in a report titled: "Adult Probation Department: Weak Management Systems and Lack of Oversight Have Led to Inadequate Supervision of Criminal Offenders, Which Could Jeopardize Public Safety and Has Resulted in Loss of Revenue to the City."

10/10/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Sponsors request this item be scheduled for the November Committee meeting.

Heard in Committee. Speakers: Kara McBey, Controller's Audit Division; Peg Stevens, Manager of City Projects, Controller's Office; Armando Cervantes, Chief Adult Probation Officer; Alfred Chiantelli, Presiding Judge, Trial Courts; Ed Harrington, Controller.

FILED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

991150 **[Workers' Compensation, Municipal Railway]**

Supervisors Kaufman, Ammiano, Newsom

Hearing to consider the status of workers' compensation claims at the San Francisco Municipal Railway and to discuss what steps MUNI is taking to curb abuses of workers' compensation.

6/7/99, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Request this item be scheduled at the July 6, 1999 meeting.

7/6/99, CONTINUED. Heard in Committee. Speakers: Michael Burns, General Manager, Municipal Railway; Jeff Gary, Workers Compensation Coordinator, Municipal Railway; Ed Harrington, Controller. Continued to October 5, 1999.

10/5/99, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Michael Burns, General Manager, Municipal Railway; Jeff Kerry, Municipal Railway; Jim Corrigan; Rey Antonio, Local 38.

2/1/00, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Jeff Gary, Manager, Workers' Compensation for Municipal Railway; Quincey Norris, Municipal Railway; Ed Harrington, Controller; Ken Bruce, Budget Analyst; Jim Corrigan.

6/6/00, CONTINUED. Heard in Committee. Speakers: Jeff Gary, Workers' Compensation Coordinator; Ed Harrington, Controller; Christine Ragan, Mayor's Office. Continued to October 3, 2000.

Heard in Committee. Speakers: Jeff Gary, MUNI Compensation Manager; Ed Harrington, Controller.

FILED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001155 **[Cell Phone and Pagers Prohibited]**

Supervisor Yaki

Ordinance adding Chapter 67A and Section 67A.1 to the San Francisco Administrative Code to prohibit the audible ringing and use of cell phones and similar sound-producing electrical devices at and during public meetings of the City and County of San Francisco, and providing that the ringing and use of cell phones, pagers and similar sound-producing electrical devices, when so prohibited, shall constitute disorderly conduct, and may result in the expulsion and/or removal of the possessor of the offending device from the meeting.

(Adds Chapter 67A and Section 67A.1.)

6/19/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Kyri McClellan, representing Supervisor Michael Yaki.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001625 **[JUSTIS Governance Council]**

Supervisor Yaki

Ordinance amending Chapter 2A Article IV of the San Francisco Administrative Code to rename the Chapter, and add provision creating a Governance Council for the Justice Tracking Information System (JUSTIS).

9/18/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

9/25/00, ASSIGNED to Audit and Government Efficiency Committee.

9/25/00, SUBSTITUTED. Supervisor Yaki submitted a substitute ordinance bearing new title and approved as to form.

Continued to December 5, 2000, meeting.

CONTINUED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001813 **[Gift acceptance of photo-enforcement cameras]**

Supervisors Yaki, Newsom

Resolution authorizing the acceptance of a gift of eleven photo-enforcement cameras from the State of California, Department of Transportation.

10/16/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Sara Procacci, representing Supervisor Michael Yaki; Bridget Smith, Department of Parking and Traffic.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001549 **[Administrative Code Revision, Health Service System]**

Supervisor Kaufman

Ordinance amending Chapter 16, Article XV, of Part I of the San Francisco Municipal Code (Administrative Code), by amending Sections 16.700 and 16.701, regarding participation in the Health Service System, and amending Chapter 16, Article IX, by renumbering Section 16.157 as Section 16.703, regarding Board approval of Health Service System plans and contribution rates.

8/28/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 9/27/2000.

10/30/00, SUBSTITUTED. Supervisor Kaufman submitted a substitute ordinance bearing same title.

10/30/00, ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Bart Duncan, Director of Health Service, Department of Human Resources; Alice Villagomez, Deputy Director, Employee Relations Division, Department of Human Resources; LaWana Preston, Local 790.

RECOMMENDED.

001007 **[Administrative Code Chapter 31]**

Supervisor Kaufman

Ordinance repealing Administrative Code Chapter 31 and enacting new Administrative Code Chapter 31 to adopt procedures and fees to implement the California Environmental Quality Act.

(Repeals and enacts new Administrative Code Chapter 31.)

5/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 6/29/2000. Sponsor requests this item be scheduled for the July meeting.

7/13/00, CONTINUED. Speakers: None. Continued to August 1, 2000.

8/1/00, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Hilary Gitelman, Planning Department; Kate Stacy, Deputy City Attorney; Aaron Peskan; Liv Ling Chen; Sue Hestor; Eric Quesada; Robert Haaland; Rob Eshelman; Chris Daly; Marc Soloman; Evelyn Wilson; Nick Pasquariello; Hank Wilson; John Bardis; Joan Girardot.

8/1/00, RECOMMENDED AS AMENDED.

8/7/00, CONTINUED ON FIRST READING. After consultation with the City Attorney, clerical correction to change the word "rescind" to read "repeal."

Supervisor Kaufman, on behalf of Supervisor Teng, requested this matter be continued to August 21, 2000.

8/21/00, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Supervisor Kaufman moved an Amendment of the Whole Bearing Same title.

8/21/00, CONTINUED AS AMENDED ON FIRST READING. Supervisor Kaufman moved to continue consideration to August 28, 2000.

8/28/00, RE-REFERRED WITH PENDING AMENDMENT to Audit and Government Efficiency Committee. Supervisor Kaufman presented an amendment of the whole bearing same title.

Supervisor Kaufman requested this matter be referred to the Planning Commission with a request that it be returned within 60 days or sooner.

No objection and Clerk directed to comply.

Supervisor Kaufman requested this matter be re-referred to the Audit and Government Efficiency Committee with pending amendment of the whole.

Heard in Committee. Speakers: Hilary Gitleman, Environmental Review Officer, Planning Department; Ted Lakey, Deputy City Attorney; Kate Stacy, Deputy city Attorney; Aaron Peskin Telegraph Hill Dwellers; John Bardis, San Francisco Neighbors; Robert McCarthy, McCarthy and Swartz.
Amendment of the Whole bearing same title presented in Committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

To Board December 11, 2000.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001761 **[Establishing the Department of Children, Youth and Their Families]**

Supervisor Kaufman

Ordinance amending Chapter 2A of Part One of the San Francisco Municipal Code (Administrative Code), to add Article XV Section 2A.232 establishing the Department of Children, Youth and Their Families, enumerating the duties of the Department and incorporating within Section 2A.232 the duties of the Department as established in other Sections of the Administrative Code; amending and renumbering Section 3.50 regarding the reporting of allocation of funds and services by gender; and by repealing Section 3.50 of Part One of the San Francisco Municipal Code (Administrative Code).

10/10/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/10/2000.

Heard in Committee. Speaker: Ellen Dektar, Assistant Director of Planning and Policy, Department of Children, Youth and Families.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001802 **[Amending and repealing provisions providing for reimbursement to officers and employees using private vehicles for City business]**

Supervisor Kaufman

Ordinance amending Part I, Chapter 10, Article IV, of the San Francisco Municipal Code (Administrative Code), by amending and re-numbering Section 10.31, dealing with authorization for City officers and employees to receive compensation for use of privately-owned automobiles for official routine duty or service, and repealing Sections 10.32 through 10.36, providing procedures for such compensation.

10/16/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/15/2000.

Heard in Committee. Speaker: Ed Harrington, Controller.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001803 **[Raising the dollar limit for small debts that may be referred to an outside collection agency from $2,500 to $4,000; authorizing the Bureau of Delinquent Revenue Collection to recover collection costs, including attorney's fees.]**

Supervisor Kaufman

Ordinance amending Part I, Chapter 10, Article V, of the San Francisco Municipal Code (Administrative Code), by amending Section 10.39-1, raising the dollar limit for small debts that may be referred to an outside collection agency, and adding Section 10.40-1, authorizing the Bureau of Delinquent Revenue Collection to recover collection costs.

10/16/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/15/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001721 **[Moneys Received by Municipal Court]**

Supervisor Kaufman

Ordinance amending Article X of the San Francisco Administrative Code by deleting Article X (Sections 10.57 through 10.69) in its entirety.

10/2/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/1/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001804 **[Reducing from 10 years to 3 years the amount of time the City must hold unidentified tax collections before the money is turned over to the City pursuant to State law.]**

Supervisor Kaufman

Ordinance amending Part I, Chapter 10, Article VII, of the San Francisco Municipal Code (Administrative Code), by amending Section 10.46, to reduce from 10 years to 3 years the amount of time the City must hold unidentified tax collections before the monies escheat to the City under State law.

10/16/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/15/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001805 **[Changing references from "Assessor" to "Assessor-Recorder," and making other changes to clean up provisions relating to numbering of lots and blocks for assessment purposes.]**

Supervisor Kaufman

Ordinance amending Part I, Chapter 10, Article XI, of the San Francisco Municipal Code (Administrative Code), by amending Section 10.70 through 10.73, to change references from "Assessor" to "Assessor-Recorder," and to make other changes to clean up provisions relating to numbering of lots and blocks for assessment purposes.

10/16/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/15/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001807 **[Repealing financing provisions for Civic Center Garage]**

Supervisor Kaufman

Ordinance amending Part I Chapter 10, of the San Francisco Municipal Code (Administrative Code), by repealing Article XIV (Sections 10.118 through 10.124), providing a financing mechanism for the Civic Center Garage.

10/16/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/15/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001806 **[Repealing the Administrative Code provisions setting up the City's Risk Management Program.]**

Supervisor Kaufman

Ordinance amending Chapter 10 of Part 1 of the San Francisco Municipal Code (Administrative Code), by repealing Article XII, Sections 10.74 through 10.78, establishing the Risk Management Program.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001808 **[Eliminating the Police Department Cash Revolving Fund]**

Supervisor Kaufman

Ordinance amending Part 1 Chapter 10, Article XV, of the San Francisco Municipal Code (Administrative Code), by repealing Section 10.169-4, creating a Police Department Cash Revolving Fund.

10/16/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/15/2000.

Speakers: None.

TABLED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001627 **[Criminal Tax Penalties]**

Supervisor Kaufman

Ordinance amending Article 6 of Part III of the San Francisco Municipal Code (Business and Tax Regulations Code) by repealing Sections 6.19-1, 6.19-2, and 6.19-3, relating to criminal penalties for certain violations; by renumbering Sections 6.19-4, 6.19-5, and 6.19-6 as new Sections 6.19-1, 6.19-2, and 6.19-3, respectively; and barring any future prosecutions.

9/18/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 10/18/2000. Sponsor requests this item be scheduled for consideration at the November 7, 2000 meeting.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001956 **[Gift acceptance of a red carpet]**

Resolution authorizing the Director of Administrative Services to accept, on behalf of the Department Administrative Services ("Department"), a gift of a red carpet from Brian and Dolores Stein for use in connection with the Department's administration of City Hall. (Administrative Services Department)

10/31/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Speakers: None.

TABLED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

LITIGATION

Conference with City Attorney

(Convene in Closed Session)
Motion that the Audit and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

001846 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Schram Construction, Inc. against the City and County of San Francisco for $246,250.00; the lawsuit was filed on November 29, 1999 in San Francisco Superior Court, Case No. 308165; entitled Schram Construction, Inc. v. City and County of San Francisco. (City Attorney)

10/18/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated September 26, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001847 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Peter Kashtanoff against the City and County of San Francisco for $70,000; the lawsuit was filed on February 18, 1999 in San Francisco Superior Court, Case No. 301335; entitled Peter Kashtanoff v. City and County of San Francisco, et al; other material terms of said settlement are that the City provide a letter of explanation stating that the plaintiff's separation was due to the ending of the provisional position. (City Attorney)

10/18/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated September 20, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001848 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Nancy J. Espinoza against the City and County of San Francisco for $65,000; the lawsuit was filed on May 2, 2000 in United States District Court, Case No. C00-1086 EDL; entitled Nancy J. Espinoza v. City and County of San Francisco; other material terms of said settlement is that plaintiff agrees to resign from employment with the City and not to seek re-employment with the City. (City Attorney)

10/18/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated October 12, 2000 is on file with the Clerk of the Board.

Continued to December 5, 2000, meeting.

CONTINUED by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

001936 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of Pacific Gas & Electric Company against all persons, filed July 12, 1999, $553,783.58. (City Attorney)

(McEnerney action entitled "Pacific Gas & Electric Company v. All Persons," S.F. Superior Court No. 44536.)

10/30/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated October 25, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 2 - Kaufman, Katz
Absent: 1 - Newsom

After a closed session, if one occurs, the Committee shall adopt a motion either to disclose or not to disclose.

Report on Closed Session

Deputy City Attorney Ted Lakey reported that the Audit and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]
Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

ADJOURNMENT

The meeting adjourned at 3:22 P.M.

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

November 30, 2000

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: December 5, 2000 Audit and Government Efficiency Committee Meeting

Item 10 – File 00-1969

Department: Mayor's Office of Economic Development
Seismic Safety Loan Program

Item: Ordinance amending Chapter 66A of the Administrative Code to conform to current practices and technical corrections.

Description: According to Ms. Joanne Sakai of the City Attorney's Office, the proposed amendments to Chapter 66A of the City's Administrative Code would:

- Update Chapter 66A to reflect current practices, delete outdated references, renumber Chapter Sections to reflect proposed deletions and make technical corrections.
- Extend the City's discretion to subordinate the liens of Seismic Safety Loans to include Below Market Rate Loans in addition to Market Rate Loans so that other lending institutions have the

prior right to repayment of loans should a borrower default on his or her loan under Section 66A.7.

- Delete references to the personnel position of Loan Packager under Section 66A.3 (1) and the existing Section 66A.11.
- Increase the base wage from $9.00 an hour to $10.00 an hour in situations where contractors are not required to pay prevailing wages under Section 66A.18.
- Reduce from 25% to 15% the minimum number of individuals that must be hired under the economically disadvantaged hiring program to reflect current practices under Section 66A.22.
- Authorize payment from Bond Proceeds of fees to local nonprofits that identify and place economically disadvantaged individuals in projects financed by the Seismic Safety Loan Program under Section 66A.22 (3).
- Require the City Controller's Office to be responsible for the disbursement of the monies needed in connection with any Seismic Safety Loan from Bond Proceeds under Section 66A.25.

After (a) the passage of Proposition A, "Earthquake Safety Loan Bonds," in November 1992, (b) recommendations based on public hearings and, (c) a study by the Seismic Safety Program Board, established under Chapter 66 of the Administrative Code, the Board of Supervisors adopted guidelines for the Seismic Safety Loan Program by enacting Chapter 66A in March of 1994. Under this Program, owners of unreinforced masonry buildings (UMBs) can apply for Market Rate Seismic Safety Loans or Below Market Rate Seismic Safety Loans. Chapter 66A of the City's Administrative Code outlines the loan requirements and procedures for these Seismic Safety Loans.

Comments:

<u>Section 66A.7 Subordinate Below Market Rate Seismic Safety Loans</u>

1. According to Ms. Sakai, Section 66A.7 originally gave the Seismic Safety Program Administrator the discretion to subordinate the lien of the City's Deed of Trust on Market Rate Loans to the liens subsequent

lenders providing financing for the rehabilitation of the UMBs, on the condition that the collateral for the loan continued to meet the Seismic Safety Loan Program underwriting requirements. The proposed ordinance would extend the Program Administrator's discretion to include the authority to subordinate the lien of the City's Deed of Trust on Below Market Rate Loans under the same conditions. According to Mr. Wayne Lawrence of the Seismic Safety Loan Program, no loans, either at market rate or below market rate, have defaulted to date. Therefore, Mr. Lawrence cannot quantify the potential fiscal impact of agreeing to subordinate the Below Market Rate Seismic Safety Loans at this time. Ms. Sakai advises that under current commercial lending practices, the City's refusal to subordinate its lien could result in a commercial loan being denied, creating a barrier to the UMB owner's ability to perform the seismic retrofit with the City's assistance.

Section 66A.3 (1) and Section 66A.11 Program Personnel: Loan Packager

2. Section 66A.3 (1) provided for the personnel position of Loan Packager to help loan applicants prepare their loan packages. According to Mr. Lawrence, the Loan Packager position was never filled because the existing Seismic Safety Loan Program staff has been able to provide the services described under the Loan Packager's job description. Therefore, Mr. Lawrence advises that deletion of the Loan Packager position reflects current practices and would not have any fiscal impact on the City. Additionally, deletion of Section 66A.3 (1) subsequently requires the deletion of the existing 66A.11, the Loan Packager's job description.

Section 66A.18 Base Wages

3. Currently, the Administrative Code states that except in cases where prevailing wages are paid, all individuals performing work financed in whole or in part by a Seismic Safety Loan shall be paid not less than $9 per hour excluding overhead and benefits. The proposed Section 66A.18 would raise the hourly

rate from $9 to $10, an increase of $1 an hour. Mr. Lawrence advises that the proposed increase reflects the current labor market wage rates for semi-skilled labor and will not have a significant fiscal impact.

Section 66A.22 Economically Disadvantaged Hire Requirement

4. The proposed Section 66A.22 states that for Seismic Safety Loans greater than $200,000, borrowers shall require that their contractors performing work financed in whole or in part by a Seismic Safety Loan hire economically disadvantaged individuals to comprise 25 percent of the total workforce, measured in labor hours. The proposed amendment would reduce the percent required from 25 percent to 15 percent, a decrease of 10 percent. According to Mr. Lawrence, because economically disadvantaged individuals may not always have the skill sets required for a given seismic retrofit project, the Seismic Safety Loan Program has been approving waivers of this 25 percent requirement to reduce the requirement to 15 percent. Therefore, the proposed change reflects current practices and would reduce paperwork generated by approving such waivers.

Section 66A.22 (3) Fees for Employment Services

5. Section 66A.22 originally provided for collaboration between the Seismic Safety Loan Program and a consortium of local community-based nonprofit employment agencies to identify and place economically disadvantaged persons in projects funded by the Seismic Safety Loan Program. The nonprofit consortium was called the Seismic Retrofit Employment Consortium (SREC). The SREC originally included the Asian Neighborhood Design, Ella Hill Hutch Community Center, the South of Market Employment Center, Visitation Valley Jobs, Education and Training and the Young Community Developers and the Center for Employment Training. Initially the SREC's administrative costs were Federally funded by a grant from the Department of Housing and Urban Development, however, according to Mr. Lawrence the grant was not renewed in May of

2000. Under the proposed ordinance, the SREC administrative fees related to the Seismic Safety Loan Program would be financed with Seismic Bond Proceeds, which Ms. Sakai advises, is consistent with the recommendation of the Mayor's UMB Task Force. Mr. Lawrence advises that the SREC is currently made up of the same original members, except for the Center for Employment Training. The Seismic Safety Loan Program has entered into a 14-month sole source contract for approximately $82,000 with the SREC funded with Seismic Bond Proceeds, based on the SREC's area of expertise, to help the SREC pay for the administrative costs associated with identification and placement of economically disadvantaged persons in projects funded by the Seismic Safety Loan Program. According to Mr. Lawrence, the contract began in June of 2000 and would only be renewed if the SREC fails to secure other funding in the future.

Section 66A.25 Program Management

6. Chapter 66A originally granted the Financial Consultant the power to disburse from Bond Proceeds the monies needed in connection with any Seismic Safety Loan. Under the proposed amendment, the Controller's Office would be responsible for the disbursement of the monies needed in connection with any Seismic Safety Loan from the Bond Proceeds. Mr. Lawrence advises that to his knowledge the Controller's Office has always been responsible for the disbursement of the monies for the Seismic Safety Loans, and therefore, the proposed amendment would simply codify existing practices.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 12 – File 00-1963

Department: Office of the Controller

Item: Ordinance amending Chapter 3 of Part 1 of the San Francisco Municipal Code (Administrative Code), by adding Section 3.7-1, to require that the Mayor's proposed budget identify all positions which were funded by grants during the previous fiscal year, where the grant has since expired, and the department proposes to fund the position or provide the same services with General Fund monies for the upcoming fiscal year.

Description: Currently, budget preparation instructions prepared by the Office of the Controller require all positions which are funded by recurring grant revenue to be designated with a "G" position indicator. When the grant funding for such "G" positions expires, such positions are required to be either terminated or funded from another source. When the responsible department does not want to terminate the work of the former grant-funded position but is unable to locate an alternative grant funding source, that department has the option to propose funding that position, and the services it provides, from an alternative funding source. The responsible department would therefore delete the "G" position and propose a new position, coded "N", for the same classification indicating that the position is now a new cost either to the General Fund or an alternative Special Fund for the first time.

Under the proposed ordinance, a department responsible for such a position would be required to specifically designate that position as one which the department previously funded with grant funds and now wished to fund through its General Fund appropriation in the future. According to Mr. Matthew Hymel of the Office of the Controller, the Office of the Controller would:

- Create a new position indicator for former grant-funded positions which the responsible departments wished to fund through the General Fund appropriations in the next fiscal year.
- Issue a report to the Board of Supervisors and the Budget Analyst during the interim budget

consideration which would show such positions by department and by fund.

Comments: The Budget Analyst believes that this proposal would more clearly identify those former grant-funded positions which departments seek to fund through their General Fund appropriations.

Recommendation: Approve the proposed ordinance.

Item 16 – File 00-1908

Note: The Office of the Sponsor of the proposed ordinance advises that an Amendment of the Whole will be introduced at the Audit and Government Efficiency Meeting on December 5, 2000, to remove the proposed amendment to Administrative Code Section 10.2-8 and to keep the personal property tax exemption level at $4,000 or less rather than raising the limit to $5,000 or less as in the original version of the proposed ordinance. This report is based on the Amendment of the Whole.

Department: Treasurer and Tax Collector's Office
Assessor-Recorder

Item: Ordinance amending Chapter 10, Article I, of the San Francisco Municipal Code (Administrative Code), by amending Section 10.03, 10.08, 10.1, 10.2, 10.2-3, 10.2-4, 10.2-5, 10.2-6, 10.3, 10.4, 10.4-2, 10.4-3, 10.5, 10.6-1, 10.7, 10.7-1, 10.8, 10.8-1, 10.9 and 10.19, all relating to finance, taxation and other fiscal matters of the City and County of San Francisco.

Description: According to Mr. Tom Owen of the City Attorney's Office, the proposed amendments to Chapter 10, Article I of the City's Administrative Code would:

- Delete outdated references and obsolete provisions.
- Change references from "Assessor" to "Assessor-Recorder" to be consistent with the consolidation of the Assessor and Recorder Offices in the 1996 Charter.
- Update statutory references.
- Increase the fee charged for returned checks from $10 to $25 for the first returned check and from $10 to $35 for each subsequent returned check as well as imposing other fees authorized under California Civil Code Section 1719[1] on the person who wrote

[1] California Civil Code 1719 states that any person who passes a check on insufficient funds shall be liable to the payee for an amount not to exceed $25 for the first check and an amount not to exceed $35 for each subsequent check to that payee passed on insufficient funds. California Civil Code 1719 also states that notwithstanding any penal sanctions, any person who passes a check on insufficient funds shall be liable to the payee for damages equal to three times the amount of the check if a written demand for payment is mailed by certified mail to the person who wrote the check with insufficient funds. The written demand must reference California Civil Code 1719, note the amount of the check and note the amount of

the check with insufficient funds under Section 10.13-1.

Section 10.13-1

Currently, Section 10.13-1 of the Administrative Code states that if any personal check offered in payment to the City and County or any subdivision, department, board, commission, body or agency is returned without payment for any reason, the payer will be charged $10 for the returned check. The proposed ordinance would raise the returned check fee from $10 to no more than $25 for the first returned check, an increase of $15 or 150 percent, and raise the returned check fee from $10 to no more than $35 for each subsequent returned check, an increase of $25 or 250 percent, as well as imposing other fees authorized under California Civil Code Section 1719. According to Mr. George Putris of the Tax Collector's Office, the proposed changes bring Section 10.13-1 in line with the California Civil Code 1719 and permits the Treasurer and Tax Collector's Office to charge an amount closer to the actual costs to process checks returned for insufficient funds. Mr. Charles Huff from the Treasurer's Division of the Treasurer and Tax Collector's Office, advises that the impact of the fee change will affect all departments that accept checks as payment for fees.

Comments:

Section 10.13-1

1. According to Mr. Huff, the City currently banks with Bank of America and Wells Fargo who both attempt to cash a check twice before it is returned to the City for nonpayment. Mr. Huff states that both banks charge returned check fees directly to the Treasurer's Division. Mr. Huff further states that the banks' return check fees range from $6 to $7 per check, depending on either the volume of checks processed or the City's account balance. The Treasurer's Division then determines the City department the check belongs to and charges that department the returned

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the service fees payable to the payee. The person who passed the check on insufficient funds shall have 30 days from the date the written demand was mailed to pay the amount of the check, the fee and the costs to mail the written demand for payment.

check fee to recoup the returned check fee charged by the bank and the Treasurer's Division's costs of processing a check with insufficient funds. The Treasurer's Division also charges the check amount to the department who accepted the check. According to Mr. Huff, it is up to the individual departments to collect on the returned check and the returned check fee from the person who wrote the check on insufficient funds.

2. Mr. Huff states that charging $35 for each subsequent returned check after the first check, as permitted under California Civil Code 1719, would be labor-intensive for the Treasurer's Division because they do not currently have the technology to easily track individual check writers to determine if he or she has previously written a check with insufficient funds. Mr. Huff advises that until such technology is available, the City would charge a flat returned check fee of $25, as permitted under California Civil Code 1719.

3. Mr. Huff states that in FY 1999-2000, 2,553 checks were returned to the City with insufficient funds. Applying the existing $10 returned check fee resulted in approximately $25,530 in returned check fees in FY 1999-2000. Mr. Huff estimates that there will be approximately 2,885 checks returned in FY 2000-2001, or approximately $28,850 in returned check fees currently. If the City charged a flat $25 fee in FY 2000-2001 for all 2,885 returned checks, it would generate approximately $72,125 in returned check fees, or $43,275 more annual revenue than the City currently receives.

Recommendation: Approve the proposed ordinance, as amended.

Item 20 – File 00-1911

Department: Office of the Controller

Item: Ordinance amending Chapter 10, Article XIII, of Part 1 of the San Francisco Municipal Code (Administrative Code), by repealing the current Article XIII (Sections 10.79 through 10.117-125) and by adopting a new Article XIII (Sections 10.80-1 through 10-1000-366), relating to special funds.

Description: The proposed ordinance repeals Chapter 10, Article XIII of the San Francisco Administrative Code and adopts a new Article XIII, whereby it:

- Consolidates and streamlines the provisions related to special funds.
- Deletes obsolete funds.
- Confirms whether or not special fund interest earnings accrue to that special fund or to the City's General Fund.
- Doubles the gift value threshold for acceptance of gifts by departmental heads without specific Board of Supervisors approval from $5,000 to $10,000.

Comments: 1. In order to provide clearer guidance about whether or not interest earned on the principal in special funds where the balance exceeds $50,000 should be credited to the relevant special fund or to the City's General Fund, the proposed ordinance categorizes special funds into those special funds whose interest accrues to (a) the relevant special funds, or (b) the City's General Fund (Section 10.100-1). According to Mr. Ben Rosenfield of the Office of the Controller, if the balance in the special fund is less than $50,000, then the interest automatically accrues to the City's General Fund. Mr. Rosenfield advises that where the existing ordinance did not specify whether interest earnings from individual special funds should be credited to the relevant special funds or to the City's General Fund, then it was assumed that the interest should be credited to City's General Fund. Mr. Rosenfield states that the proposed Section 10.100-1 codifies that decision.

2. Under the current Article XIII, Section 10.80 of the Administrative Code, the Controller is required to create special funds upon receipt of gifts of "any moneys or property to be converted into money." However, Article XIII, Section 10.116, amended in 1981, places a $5,000 threshold on a department head's ability to accept a gift without specific Board of Supervisors approval.

3. According to Mr. Rosenfield, Section 10.100-305 of the proposed ordinance integrates and updates the current Sections 10.80 and 10.116. The proposed Section 10.100-305 both (a) continues to authorize the creation of gift funds or accounts for the purpose of accepting any gifts of cash or goods, and (b) increases the gift value threshold for which specific Board of Supervisors approval is required to accept such gifts of cash or goods. The threshold would double from a market value of $5,000, to a market value of $10,000. Mr. Rosenfield states that doubling the threshold to $10,000 reflects (a) the amount of $5,000, set in 1981 when Section 10.116 was amended, plus (b) 19 years' worth of Consumer Price Index adjustments at an average of approximately 4 percent per year.

4. During the 27 months between March of 1998 and October of 2000, the Board of Supervisors considered whether or not to accept six gifts valued at between $5,000 and $10,000. Based on this past number of gifts, it could be estimated that, if the proposed ordinance was approved and the same number of gifts valued at between $5,000 and $10,000 continued to be offered to the City, in each future year, the Board of Supervisors would no longer consider whether or not the City should accept two to three gifts valued between $5,000 and $10,000. Instead, the decision as to whether or not to accept such gifts would rest with individual department heads.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Items 24 and 25 – Files 00-1916 and 00-1917

Items:

File 00-1916: Ordinance amending Article XX of Chapter 10 of the San Francisco Administrative Code by amending Sections 10.230, 10.231, 10.233, 10.234, 10.235, 10.236 and 10.237, and adding a new Section 10.230A to specify that liens for nonpayment of financial obligations owed to the City and County of San Francisco shall have the same priority as judgment liens unless a different priority is authorized by State law, to delete references to special assessments contained in these sections, to provide for notice of proposed liens to property owners and to authorize the inclusion of administrative charges in lien amounts.

File 00-1917: Ordinance amending the San Francisco Municipal Code by amending Chapter 37A of the San Francisco Administrative Code by amending Section 37A.4; amending Chapter 38 of the San Francisco Administrative Code by amending Sections 38.10 and 38.11, deleting Sections 38.12 through 38.16 and renumbering existing Sections 38.17 and 38.18 as 38.12 and 38.13; amending Chapter 41 of the San Francisco Administrative Code by amending 41.20; amending Article 1 of the San Francisco Fire Code by amending Section 107.1; amending Article 11 of the San Francisco Health Code by amending Section 609.3; amending Article 21 of the San Francisco Health Code by amending Sections 1136 and 1175.1; amending Article 24 of the San Francisco Health Code by amending Section 1412; amending Article 25 of the San Francisco Health Code by amending Sections 1512 and 1513; amending Article 26 of the San Francisco Health Code by amending Section 1637; amending Article 4 of the San Francisco Public Works Code by amending Sections 104.1 and 134; amending Article 15 of the San Francisco Public Works Code by amending Section 724.5; and amending Article 3 of the San Francisco Planning Code by amending Section 313.9 to eliminate references to unauthorized special assessment liens, establish lien procedures in accordance with State law and make miscellaneous clerical corrections.

Description:

According to the City Attorney's Office, existing law authorizes the Board of Supervisors to impose special assessments against property owners for failure to pay fees and other obligations (other than taxes) owed to the City. Although these obligations are not taxes, existing City law allows for these liens to be given the same priority as tax liens for purposes of enforcement and foreclosure. However, the State Court of Appeal held that cities and counties lack authority to impose liens with this level of priority, except where specifically authorized by State law.[1] Instead, the State Court of Appeal held that these liens are only entitled to the priority of an ordinary judgement lien (see Comment No. 4 for File 00-1916). Accordingly, the City's existing lien procedure is inconsistent with State law.

The subject proposed ordinances revise the City's lien procedures to conform to State law, and amend various City codes as needed to remove references to unauthorized special assessment liens and eliminate redundant provisions setting forth lien procedures. The various City codes included in the subject proposed ordinances are revised to refer to the amended lien procedures in Article XX of Chapter 10 of the City's Administrative Code.

File 00-1916: The proposed ordinance amends Chapter 10, Sections 10.230, 10.231, 10.234, 10.235, 10.236 and 10.237 of the San Francisco Administrative Code, and adds a new Section 10.230A, to:

- Revise the City's lien procedures to conform to State law.
- Consolidate lien procedures in one part of the Administrative Code to provide uniform notice and hearing requirements during the lien process.
- Authorize the inclusion of administrative costs and interest in the amount of the lien.

File 00-1917: Although the City has set out a procedure for imposing liens in Article XX of Chapter 10 of the Administrative Code, a number of the code sections listed

[1] State Court of Appeals case *Isaac vs. City of Los Angeles*, 66 Cal. App. 4th 586 (1998).

in the proposed resolution contain lien procedures that are redundant with those set forth in Article XX.

The proposed ordinance revises sections authorizing liens in the City's Administrative Code, Fire Code, Health Code, Public Works Code and Planning Code to make those sections conform to uniform lien procedures, changes in State law, and as set forth in Article XX of Chapter 10 of the San Francisco Administrative Code, as noted above in Item 00-1916, to:

- Revise the provisions for the codes included in the proposed ordinance to eliminate unauthorized special assessment liens, instead making these liens ordinary judgement liens, as well as eliminating redundant lien procedures.

- State that liens shall be imposed and collected in accordance with the requirements of Article XX of Chapter 10 of the City's Administrative Code.

Comments for File 00-1916:

1. According to Mr. David Greenburg of the City Attorney's Office, this ordinance would revise the City's lien procedure to clarify that, except where otherwise authorized by State law, liens imposed by the City under this Article are only entitled to the priority of a judgment lien.

2. The proposed ordinance also specifies the procedures for requesting payment, notice of delinquent account and proposed lien, and authorization for a lien. The proposed ordinance authorizes the collection of: (a) the lien amount, (b) any applicable penalties, (c) additional charges to the lien on each parcel of property for administrative expenses of $50 or 10 percent of the amount owed, whichever is higher, and (d) interest at the rate of one percent per full month compounded monthly from the date of recordation of the lien on all charges due. Additionally, the proposed ordinance states: "where expenditure of City funds for which the lien is being imposed was made from departmental funds, all sums collected by the Tax Collector pursuant to this Article shall be allocated to the credit of the department for

which the lien was imposed and to such other City departments as are administering collection of the lien for reimbursement of those expenses. Where the costs for which the lien is imposed have been paid from the General Fund instead of departmental funds, the sums collected shall be deposited in the General Fund, and not allocated to the department for which the lien was imposed."

4. According to Mr. Greenburg, unlike a special assessment lien, a judgement lien is not entitled to any special priority. Instead, judgement liens are subject to other preexisting liens on the property. Mr. Greenburg advises that the State Court of Appeal's decision mandates this reduced level priority for these leans. The reduced priority accorded to a judgement lien could have a fiscal impact on the City if the City forecloses on a property in order to collect an outstanding lien amount due, and there are already other higher priority liens on the property and not sufficient funds available to pay all the liens.

Fiscal Impact:

Mr. George Putris of the Tax Collector's Office estimates that the total fiscal impact of the two proposed ordinances on the City would be approximately $2,767,868 per year, based on the number of judgement liens the City collected during Fiscal Year 1999-2000, listed in the Attachment provided by Mr. Putris. Mr. Putris advises that $372,000 of this total estimated amount of $2,767,868 would result from the additional staff hours necessary to manually sort and remove judgement liens from all recorded liens on tax-defaulted property. The remaining estimated cost amount of $2,395,868 would be attributable to the reduction in revenue the City can collect from a sale or redemption of tax-defaulted property. This reduction in revenue would be a result of both: (a) the subordination of judgement liens to other liens with greater priority in a sale or redemption of tax-defaulted property, as stipulated by State law and the proposed ordinances; and (b) the practical uncollectibility, according to Mr. Putris, on what would become unsecured liens following the sale or redemption of tax-defaulted property.

Recommendation:

Approve the proposed ordinance.

DEFAULTED AMOUNT OF LIENS AS OF 6/30/00

SPECIAL ASSMNT#	DESCRIPTION	TOTAL AMOUNT	NO. OF RECORDS
29	Rent Stabilization Fee	$ 96,979.96	2,234
36	Fire Inspection Fee	$ 1,107.19	2
39	Redevelopment C.F.D.	$ 1,969.02	6
44	Time Share Fee	$ 52,590.24	2,972
50	Sidewalk Repair	$ 20,557.72	10
52	Demolition & Restoration	$ 253,423.06	2
55	Building Inspection	$ 57,469.47	51
60	Water Lien	$1,814,367.09	1,202
75	Hazardous Materials Lien	$ 0.00	
78	Transfer Tax Lien	$ 0.00	
86	Transit Impact Development	$ 0.00	
92	Apartment House License Fee	$ 71,026.63	791
93	Hotel License Fee	$ 16,400.40	49
94	FY 94-95 Delinquent Rent Fee	$ 9,976.65	69
TOTAL		$2,395,867.43	7,440

ESTIMATED HOURS SPENT TO REMOVE THE ABOVE LIENS:

LIEN DEPARTMENT:	3,720 HRS.
CONTROLLER:	3,720 HRS.
ACCOUNTING	3,720 HRS.
PROPERTY TAX	3,720 HRS.
TOTAL HOURS:	14,880 HRS.
AVERAGE SALARY PER HOUR:	$25.00
TOTAL COST:	$372,000

Source: Tax Collector's Office

Item 26 – File 00-2023

Department: Recreation and Park Department

Item: Resolution accepting and expending a gift from the Randall Museum Friends in the amount of $400,000 for Randall Museum grounds renovation.

Gift Amount: $400,000

Source of Funds: Randall Museum Friends (See Comment 1).

Description: The Randall Museum, located at 199 Museum Way, is an educational museum operated by the City that integrates the arts and sciences for adults, children and families. Under the proposed resolution, the Randall Museum Friends, a non-profit organization, would provide a gift of $400,000 to partially fund various grounds improvements to the east of the Museum building, as part of the Randall Museum Master Plan. The proposed resolution would allow the Recreation and Park Department to accept and expend $400,000, to be used together with $350,000 in Open Space Funds for a total of $750,000, for improvements to the Randall Museum.

Implementation of the subject improvements, which are anticipated to cost a total of approximately $750,000 to complete, would include the following projects: (1) reconfiguration of the existing parking area to the west of the Museum to ensure that no parking spaces are lost due to new improvements to Museum grounds, (2) construction of a new deck off the Museum's Animal Room, (3) construction of a ramp to provide access to the main entry to the facility for disabled persons, (4) creation of a small amphitheater area within the entry court yard, (5) construction of exterior ceramics area, and (6) the creation of a learning garden and nature study area.

Comments: 1. The Randall Museum Friends is a non-profit organization dedicated to raising funds to assist the Randall Museum.

2. Ms. Margaret McArthur of the Recreation and Park Department states that the proposed improvements to the

Randall Museum grounds that would result from the proposed gift would not create any additional, ongoing costs for the Department. Ms. McArthur advises that the Recreation and Park Department currently spends approximately $70,000 annually to maintain the Randall Museum grounds.

3. According to Ms. McArthur, the proposed gift would pay for $400,000, or 53 percent, of the planned $750,000 in Randall Museum improvements. The remaining $350,000, or 47 percent, of the subject improvements would be funded through the use of Open Space funds allocated from the FY 1996-1997, 1997-1998, 1998-1999 Open Space Budgets, according to Ms. McArthur.

4. Ms. McArthur states that the subject Museum improvements would be conducted by a private contractor, which would be selected through a competitive process. According to Ms. McArthur, the Recreation and Park Department anticipates awarding this contract and commencing renovation in March of 2001. The subject renovations are expected to be completed by September of 2001, according to Ms. McArthur.

Recommendation: Approve the proposed resolution.

Item 27 – File 00-2070

Department:	Recreation and Park Department (RPD)
Item:	Resolution authorizing the Recreation and Park Department to except and expend a gift in place valued at approximately $207,000 from the Strybing Arboretum Society for the Strybing Arboretum.
Estimated Gift Value:	$207,000. According to Ms. Margaret McArthur of RPD, this amount was estimated by the Strybing Arboretum Society's landscape architects using industry guidelines.
Source of Gift:	Strybing Arboretum Society (see Comment 1).
Description:	Approval of the proposed resolution would authorize the Recreation and Park Department to accept the gift in place[1] valued at $207,000 for the renovation of the Jennie B. Zellerbach Garden of Perennials at the Strybing Arboretum. The Strybing Arboretum is located in Golden Gate Park in the Botanical Gardens with the entrance near Ninth Avenue. The Jennie B. Zellerbach Garden of Perennials is located within the Strybing Arboretum. The subject gift in place comprises improved hardscape (including arbors, fences, paving, and steps), irrigation, planting, and furnishings (including pots and seating). Ms. McArthur advises that the hardscape improvements would make the Jennie B. Zellerbach Garden of Perennials compliant with the Americans with Disabilities Act (ADA).
Budget:	A summary budget for this gift in place is shown on the following page.

[1] According to Ms. McArthur, by providing a "gift in place", the Strybing Arboretum Society is paying directly for the design and construction of improvements to the Jennie B. Zellerbach Garden of Perennials (subject to RPD approval) to the value of $207,000, as opposed to simply gifting the $207,000 directly to RPD so that the RPD decides how to spend the money.

Project Category	Cost
Design	$23,709
Site preparation	5,000
Hardscape	114,615
Irrigation	5,000
Planting	12,400
Furnishings	4,600
Contingencies	36,676
Maintenance (one-year garden intern)	5,000
TOTAL	$207,000

The attached detailed budget was provided by Ms. McArthur[2].

Comments:

1. The Strybing Arboretum Society is a nonprofit organization which provides education, library, fundraising, and collections management services to the Strybing Arboretum.

2. According to Ms. McArthur, design and construction the proposed improvements to the Jennie B. Zellerbach Garden of Perennials is expected to begin in January of 2001 for completion by June of 2001, a total of six months. Ms. McArthur states that design and construction of the improvements will be performed by a licensed contractor selected by means of a competitive bid process.

3. Ms. McArthur states that the ongoing maintenance costs currently being expended by RPD would cover the maintenance of the improved Jennie B. Zellerbach Garden of Perennials. Ms. McArthur notes that the $5,000 budgeted for a one-year garden intern represents additional one-time funding for the Strybing Arboretum's ongoing garden internship program.

Recommendation: Approve the proposed resolution.

[2] The Strybing Arboretum Society's $207,000 gift in place was funded from three sources: (1) $27,000 raised by Strybing Arboretum Society fundraising, (2) a $130,000 grant to the Strybing Arboretum Society from the Zellerbach Family Fund, and (3) a $50,000 gift to the Strybing Arboretum Society from the family of Ms. Jennie B. Zellerbach's granddaughter. The attached budget shows the $130,000 grant and the $50,000 gift as a combined grant of $180,000.

Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
Clerk of the Board
Controller
Stephen Kawa

Attachment

PROJECT BUDGET - ZELLERBACH GARDEN OF PERENNIALS, JULY 2000

	ARBORETUM	GRANT FUNDS
SITE PREPARATION		
Demolition	$5,000	
Subtotal	$5,000	
HARDSCAPE		
Large Arbor		$25,000
Small Arbors		$20,000
Fence		$3,325
Stone Paving and Border		$27,225
Steps		$2,500
Wall		$15,200
Ramp paving		$1,920
Fill		$2,220
Rock		$12,800
Railing		$5,425
Sleeves & Misc.		$1,000
Subtotal		$114,615
IRRIGATION		
Materials & Installation	$5,000	
Subtotal	$5,000	
PLANTING		
Fine grading	$200	
Shrub Beds, Mulch	$850	
Boxwood Hedge	$1,500	
Specimen Camellias, spaded on site	$2,000	
Mixed Camellias, spaded on site	$2,100	
Specimen Tree	$500	
Small Conifers	$2,250	
Perennials	$3,000	
Subtotal	$12,400	
FURNISHINGS		
Pots	$2,100	
Benches/Armchairs	$2,500	
Subtotal	$4,600	
Subtotal: Site Prep., Hardscape, Irrigation, Planting & Furnishings	$27,000	$114,615
CONTINGENCIES		
General (8%), Construction (8%), Estimating (8%), Bidding (8%)		
Subtotal		$36,676
DESIGN		
Topographical Survey		$2,423
Hardscape & Planting Design		$19,625
Irrigation Design		$1,661
Subtotal		$23,709
MAINTENANCE		
Garden intern – 1 year		$5,000
Subtotal		$5,000
TOTAL	$27,000	$180,000
PROJECT TOTAL: $207,000		

[All Committees]
Government Document Section
Main Library

City and County of San Francisc
Meeting Minutes
Audit and Government Efficiency Con

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Gregoire Hobson

Tuesday, December 05, 2000 | **1:00 PM** | **City Hall, Room 263**

Regular Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

Meeting Convened

The meeting convened at 1:02 P.M.

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REGULAR AGENDA

001625 **[JUSTIS Governance Council]**

Supervisor Yaki

Ordinance amending Chapter 2A Article IV of the San Francisco Administrative Code to rename the Chapter, and add provision creating a Governance Council for the Justice Tracking Information System (JUSTIS).

9/18/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

9/25/00, SUBSTITUTED. Supervisor Yaki submitted a substitute ordinance bearing new title and approved as to form.

9/25/00, ASSIGNED to Audit and Government Efficiency Committee.

11/16/00, CONTINUED. Continued to December 5, 2000, meeting.

Heard in Committee. Speaker: Kyri McCullen, Legislative Aide to Supervisor Michael Yaki. Amended. On Page 1, line 3 replace "provision" with "Section 2A.85.

AMENDED.

Ordinance amending Chapter 2A Article IV of the San Francisco Administrative Code to rename the Chapter, and add Section 2A.85 creating a Governance Council for the Justice Tracking Information System (JUSTIS).

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001919 **[Administrative Code Revision, Chapter 6 - Technical Amendments]**

Supervisor Kaufman

Ordinance amending Chapter 6 of the Administrative Code to effect technical corrections/clarifications to subsection 6.1(F), Section 6.7 and Section 6.80; to add requirements to Section 6.21 for quotations for public works less than or equal to the threshold amount; to define and increase the minimum competitive amount for professional service contracts in Section 6.40 from $10,000 to $25,000; and to add a subsequent contract limitation to Section 6.62 for job order contracts.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001924 **[Delete obsolete provisions regarding firearms registration with Police Chief]**

Supervisor Kaufman

Ordinance deleting Article 9 Sections 610 through 610.8 of the Municipal Police Code to eliminate obsolete provisions requiring owners of firearms to register with the Chief of Police.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001912 **[Repealing the Police Department cash revolving fund and the District Attorney environmental prosecution fund]**

Supervisor Kaufman

Ordinance amending Part I, Chapter 10, Article XV, of the San Francisco Municipal Code (Administrative Code), by repealing Section 10.169-4 (Police Department Cash Revolving Fund) and 10.70-5 (District Attorney Environmental Prosecution Fund).

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001920 **[Implementation of the Convention on the Elimination of All Forms of Discrimination Against Women]**

Supervisor Kaufman

Ordinance amending Chapter 12K of Part One of the San Francisco Municipal Code (Administrative Code), which established the implementation of the United Nations Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) in San Francisco, by amending section 12K.1 to add additional findings; by adding section 12K.2 to add a definitions section; by renumbering the remaining sections; by amending section 12K.4 by expanding the scope of gender analysis in the City and by requiring the development of a Citywide Action Plan; and by amending section 12K.5 to change the composition and duties of the CEDAW Task Force.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001921 **[Administrative Code Revision, Chapter 6]**

Supervisor Kaufman

Ordinance amending Chapter 16, Article IV of Part I of the San Francisco Administrative Code by repealing Section 16.29-15 and amending Sections 16.29.7.1, 16.29-7.2, 16.29-9.5, 16.29-9.6, 16.29-15.11, 16.29-15.12, 16.37, 16.37-2, 16.37.4, 16.37-5, 16.46, 16.47, 16.52, 16.54, 16.67, 16.70-1, 16.74, 16.77, 16.79, and 16.80 regarding the Retirement System, to eliminate out-dated and obsolete provisions.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001922 **[Administrative Code Revision, Chapter 18, City payroll procedures]**

Supervisor Kaufman

Ordinance amending Chapter 18 of Part I of the San Francisco Municipal Code (Administrative Code) by amending Sections 18.2, 18.7.1, 18.9, and 18.4, by repealing Sections 18.3, 18.4, 18.5, 18.6, 18.7, 18.8, and 18.11, by amending Section 18.10 and renumbering it as Section 2A.32, by amending Section 18.13 and renumbering it as Section 18.13-1, and by adding Section 18.13-5, all relating to payroll procedures for the City and County.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001967 **[Administrative Code Revision, Chapter 57, Film Commission]**

Supervisor Kaufman

Ordinance amending Part I of the San Francisco Municipal Code (Administrative Code) by amending each of the provisions of Chapter 57 and adding a provision to Chapter 10, Article XIII, relating to the Film and Video Arts Commission, to update out-dated provisions, eliminate obsolete and redundant provisions, correct references, authorize sidewalk closures by the Film Commission with the consent of the Department of Public Works, and authorize sign-posting requirements by the Film Commission.

11/6/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/6/2000.

Heard in Committee. Speakers: Bob Planthold; Steven Perry; Allen Nicholson, Foreman, Civil Grand Jury; P.J. Johnson; Ed Harrington, Controller.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001968 **[Administrative Code Revision, Chapter 66, Seismic Safety Retrofit Program]**

Supervisor Kaufman

Ordinance amending Chapter 66 of the Administrative Code to conform to current practices and make technical corrections.

11/6/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/6/2000.

Heard in Committee. Wayne Corn; Rodney Harrington; Debbie Lerman; Judy Storbuck; Kinnley Ross; Ted Lakey, Deputy City Attorney.

Amended. On Page 1, line 3 insert "Sections 66.1, 66.2, 66.3, 66.4 and 66.5 and repealing Section 66.6 of"

AMENDED.

Ordinance amending Sections 66.1, 66.2, 66.3, 66.4 and 66.5 and repealing Section 66.6 of Chapter 66 of the Administrative Code to conform to current practices and make technical corrections.

To Board December 18, 2000.

REFERRED WITHOUT RECOMMENDATION by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001969 **[Administrative Code Revision, Chapter 66A, Seismic Safety Loan Program]**

Supervisor Kaufman

Ordinance amending Chapter 66A of the Administrative Code to conform to current practices and make technical corrections.

11/6/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/6/2000.

Heard in Committee. Wayne Corn; Rodney Harrington; Debbie Lerman; Judy Storbuck; Kinnley Ross; Ted Lakey, Deputy City Attorney.

Amendment of the Whole bearing new title presented in Committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending and/or renumbering Sections 66A2, 66A.3, 66A.4, 66A.6, 66A.7, 66A.8, 66A.9, 66A.10, 66A.12, 66A.13, 66A.14, 66A.15, 66A.16, 66A.17, 66A.18, 66A.19, 66A.20, 66A.21, 66A.22, 66A.23, 66A.24, 66A.26, 66A.27 and 66A.28 and repealing Sections 66A.11 and 66A.25 of Chapter 66A of the Administrative Code to conform to current practices and make technical corrections.

To Board December 18, 2000.

REFERRED WITHOUT RECOMMENDATION by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001923 **[Administrative Code Revision, Chapter 74, Rent Escrow Account Program (REAP)]**

Supervisor Kaufman

Ordinance amending Administrative Code Chapter 74 "Rent Escrow Account Program," by amending Sections 74.3, 74.4, 74.5, 74.6, 74.7, 74.9, 74.10, 74.11, 74.12, 74.13, 74.14, and 74.15, to more specifically describe the relationship of this lead abatement program to provisions in San Francisco Health Code Article 11 regarding abatement of public nuisance, to clarify implementation procedures, and non-substantive technical changes.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001963 **[Administrative Code Revision, Section 3.7-1, Budget Process]**

Supervisor Kaufman

Ordinance amending Chapter 3 of Part I of the San Francisco Municipal Code (Administrative Code), by adding Section 3.7-1, to require that the Mayor's proposed budget identify all positions that were funded by grants during the previous fiscal year, where the grant has since expired and the department proposes to fund the position or provide the same services with general fund monies for the upcoming fiscal year.

11/6/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/6/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001964 **[Administrative Code Revision, Obsolete Law Books]**

Supervisor Kaufman

Ordinance amending Chapter 8 of the San Francisco Administrative Code by amending Section 8.8 to authorize the City Attorney to dispose of obsolete law books and other published materials once such materials are obsolete.

11/6/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/6/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001918 **[Repealing provisions relating to annual revenue and taxation survey and report]**

Supervisor Kaufman

Ordinance amending Part I of the San Francisco Municipal Code (Administrative Code), by repealing Chapter 10A (Sections 10A1 through 10A.3), providing for an annual revenue and taxation survey report.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001907 **[Correcting erroneous deletion of authority for Public Administrator-Public Guardian to collect and deposit entitlement checks and other income, and to pay from those expenses of persons unable to manage their own affairs]**

Supervisor Kaufman

Ordinance amending Article XIII Chapter 2A of the San Francisco Administrative Code by adding a new Section 2A.211-A to provide a representative payee program in the Office of the Public Administrator-Public Guardian.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Heard in Committee. Speaker: Ricardo Hernandez, Public Administrator-Public Guardian.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001908 **[Updating provisions relating to finance, taxation and other fiscal matters]**

Supervisor Kaufman

Ordinance amending Chapter 10, Article 1, Part 1 of the San Francisco Municipal Code (Administrative Code), by amending Sections 10.03, 10.08, 10.1, 10.2, 10.2-3, 10.2-4, 10.2-5, 10.2-6, 10.2-8, 10.3, 10.3-1, 10.6-2, 10.13-1, and 10.16, and by repealing Sections 10.2-1, 10.3-2, 10.3-3, 10.4, 10.4-1, 10.4-2, 10.4-3, 10.5, 10.6-1, 10.7, 10.7-1, 10.8, 10.8-1, 10.9, and 10.19, all relating to finance, taxation, and other fiscal matters of the City and County.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

Amendment of the Whole bearing same title presented in Committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001909 **[Updating provisions relating to claims against the City]**

Supervisor Kaufman

Ordinance amending Part I of the San Francisco Municipal Code (Administrative Code), by amending Sections 10-20-2, 10-20-6, 10-20-7, 10-20-8, 10.22, 10-22-2, and 10.25, amending Section 10.20-9 and renumbering it as Section 10.21, and repealing Section 10.21, all relating to claims against the City and County, and be repealing Section 10.28A, relating to emergency response expenses.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

Amended. On Page 7, line 3 delete "claims".

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Part I of the San Francisco Municipal Code (Administrative Code), by amending Sections 10-20-2, 10-20-6, 10-20-7, 10-20-8, 10.22, 10-22-2, and 10.25, amending Section 10.20-9 and renumbering it as Section 10.21, and repealing Section 10.21, all relating to claims against the City and County.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001910 **[Updating provisions establishing procedures for refund of erroneously collected money]**

Supervisor Kaufman

Ordinance amending Administrative Code Chapter 10, Article VI, governing the refund of erroneously collected money by amending Section 10.43 to eliminate an obsolete reference; amending Section 10.43-1 to clarify that this Article does not affect a claimant's rights to file a formal claim against the City; amending Section 10.43-1.6 to clarify that the refund procedures do not apply to any City-imposed taxes; deleting Section 10.43-1.7 as obsolete; and amending Section 10.43-5, governing refund of deposits for use of certain City facilities by updating references in that Section, deleting Brooks Hall and adding Moscone Center to the facilities covered by the Section, and relocating that Section to Chapter 4 as new Section 4.23.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

002020 **[Update provisions relating to the appointment of a fiscal agent]**

Supervisor Kaufman

Ordinance amending the San Francisco Administrative Code by amending Sections 10.47, 10.48, and 10.49 of Article VIII, Chapter 10.

11/13/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Speakers: None.

Amendment of the Whole bearing new title presented in Committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance updating provisions relating to the appointment of a fiscal agent by amending the San Francisco Administrative Code by amending Sections 10.47, 10.48, and 10.49 of Article VIII, Chapter 10.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001911 **[Repealing and adopting new article consolidating and streamlining the provisions relating to special funds]**

Supervisor Kaufman

Ordinance amending Chapter 10, Article XIII, of Part I of the San Francisco Municipal Code (Administrative Code), by repealing the current Article XIII (Sections 10.79 through 10.117-125) and by adopting a new Article XIII (Sections 10.80-1 through 10.100-366), relating to special funds.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Heard in Committee. Speaker: Ed Harrington, Controller.
Amendment of the Whole bearing same title presented in Committee. Further amended on Page 15, line 15 by deleting Section 10.100-13 in its entirety.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

001913 **[Updating provisions relating to service charges for the Adult Probation Office and deleting special funds]**

Supervisor Kaufman

Ordinance amending Chapter 10, Article XVI, of Part I of the San Francisco Municipal Code (Administrative Code), by amending Section 10.180, relating to service charges for the Adult Probation Office, and by repealing Sections 10.184 (fingerprint processing fund), 10.187, (special animal purchase and exchange fund), 10.191 (transit information fund), and 10.192 (examination research and development fund).

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

001914 **[Deleting obsolete provisions of Chapter 10, Article XVIII, of the Administrative Code relating to the former Mayor's Office of Employment and Training, and certain special funds]**

Supervisor Kaufman

Ordinance amending Chapter 10, Article XVIII, of Part I of the San Francisco Municipal Code (Administrative Code), by amending Section 10.199, relating to the Controller's duties, and by repealing Sections 10.199-1 (Mayor's Office of Employment and Training), 10.201 (Convention Facilities Fund), 10.203 (Chinatown Open Space Fund), 10.204 (911 Emergency Response Fund), and 10.205 (Municipal Railway Improvement Fund).

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

001915 **[Providing for apportionment, collection and disbursement of property taxes]**

Supervisor Kaufman

Ordinance providing for apportionment, collection and disbursement of 1992-93 property taxes upon adoption of certain State legislation, and making findings.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:
Ayes: 3 - Kaufman, Newsom, Katz

001916 **[Consolidating City lien procedures and revising those procedures to conform to changes in State law]**
Supervisor Kaufman

Ordinance amending Article XX of Chapter 10 of the San Francisco Administrative Code by amending Sections 10.230, 10.231, 10.233, 10.234, 10.235, 10.236 and 10.237, and adding a new Section 10.230A to specify that liens for nonpayment of financial obligations owed to the City and County of San Francisco shall have the same priority as judgment liens unless a different priority is authorized by state law, to delete references to special assessments contained in these sections, to provide for notice of proposed liens to property owners and to authorize the inclusion of administrative charges in lien amounts.

10/30/00. ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001917 **[Revising provisions that authorize liens to conform to uniform lien procedures and changes in State law]**
Supervisor Kaufman

Ordinance amending the San Francisco Municipal Code by amending Chapter 37A of the San Francisco Administrative Code by amending Section 37A.4; amending Chapter 38 of the San Francisco Administrative Code by amending Sections 38.10 and 38.11, deleting Sections 38.12 through 38.16 and renumbering existing Sections 38.17 and 38.18 as 38.12 and 38.13; amending Chapter 41 of the San Francisco Administrative Code by amending Section 41.20; amending Article 1 of the San Francisco Fire Code by amending Section 107.1; amending Article 11 of the San Francisco Health Code by amending Section 609.3; amending Article 21 of the San Francisco Health Code by amending Section 1136 and 1175.1; amending Article 24 of the San Francisco Health Code by amending Section 1412; amending Article 25 of the San Francisco Health Code by amending Sections 1512 and 1513; amending Article 26 of the San Francisco Health Code by amending Section 1637; amending Article 4 of the San Francisco Public Works Code by amending Sections 104.1 and 134; amending Article 15 of the San Francisco Public Works Code by amending Section 724.5; and amending Article 3 of the San Francisco Planning Code by amending Section 313.9 to eliminate references to unauthorized special assessment liens, establish lien procedures in accordance with state law and make miscellaneous clerical corrections.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

Speakers: None.

RECOMMENDED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

002023 **[Gift Acceptance, Recreation and Park Department]**
Supervisor Yaki

Resolution accepting and expending a gift from the Randall Museum Friends in the amount of $400,000.00 for Randall Museum Grounds Renovation.

11/13/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Kyri McCullen, Legislative Aide to Supervisor Michael Yaki.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

002070 **[Gift Acceptance, Recreation and Park Department]**

Supervisor Yaki

Resolution accepting and expending a gift in place valued at approximately $207,000.00 from the Strybing Arboretum Society to the Recreation and Park Department for the Strybing Arboretum.

11/20/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speaker: Kyri McCullen, Legislative Aide to Supervisor Michael Yaki.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

LITIGATION

Conference with City Attorney

(Convene in Closed Session)

Motion that the Audit and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

001848 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Nancy J. Espinoza against the City and County of San Francisco for $65,000; the lawsuit was filed on May 2, 2000 in United States District Court, Case No. C00-1086 EDL; entitled Nancy J. Espinoza v. City and County of San Francisco; other material terms of said settlement is that plaintiff agrees to resign from employment with the City and not to seek re-employment with the City. (City Attorney)

10/18/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated October 12, 2000 is on file with the Clerk of the Board.

11/16/00, CONTINUED. Continued to December 5, 2000, meeting.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

002049 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Nicolette Rivera, by and through her Guardian Ad Litem, Laurie Pedalaborde against the City and County of San Francisco for $875,000.00; the lawsuit filed on April 8, 1997 in San Francisco Superior Court, Case Number 985-887, and is entitled, "Nicolette Rivera, by and through her Guardian Ad Litem, Pedalaborde v. City and County of San Francisco". (City Attorney)

11/14/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated October 25, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

002050 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Diane Detoy against the City and County of San Francisco and Gregory Breslin for $505,000.00; the lawsuit was filed on May 13, 1999 in San Francisco Superior Court, Case Number 303-475, and is entitled "Diane Detoy, Individually and as the Successor-in-Interest to Sheila Detoy, Deceased v. City and County of San Francisco and Gregory Breslin"; the case was removed to the United States District Court on June 24, 1999, where it was assigned Case Number C99-3072-CRB. (City Attorney)

11/14/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated October 10, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

002052 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of the lawsuit filed by Graciela Cashion and Murdock Cashion against the City and County of San Francisco for $340,000.00; the lawsuit was filed on June 22, 2000 in Superior, Case No. 313-098; entitled Graciela Cashion, Murdock Cashion, et., v. City and County of San Francisco, et al. (City Attorney)

11/15/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated October 2, 2000 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

After a closed session, if one occurs, the Committee shall adopt a motion either to disclose or not to disclose.

Report on Closed Session

Deputy City Attorney Ted Lakey reported that the Audit and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]
Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

ADJOURNMENT

The meeting adjourned at 3:04 P.M.

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12/01
rescheduled
to
1/2/01
2

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

NOTICE OF RESCHEDULED MEETING

AUDIT AND GOVERNMENT EFFICIENCY COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the regular meeting of the Audit and Government Efficiency Committee of the San Francisco Board of Supervisors scheduled for Tuesday, January 2, 2001, at 1:00 p.m., has been rescheduled to **Tuesday, January 2, 2001**, at **12 noon**, at 1 Dr. Carlton B. Goodlett Place, Legislative Chamber, City Hall, San Francisco, California.

Gloria L. Young, Clerk of the Board

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IMPORTANT HEARING NOTICE!!!

41 Library
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[Budget Analyst Report]
Susan Hom
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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

December 28, 2000

TO: Audit and Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: January 2, 2001 Audit and Government Efficiency Committee Meeting

Item 2 – File 00-1965

Department: Real Estate Division (RED), Department of Administrative Services

Item: Ordinance amending Articles I, II, III, IV, V, VI, and VII of Chapter 23 of the San Francisco Municipal Code by amending, repealing, and renumbering various sections regarding real property transactions.

Description: According to Ms. Elizabeth Dietrich of the City Attorney's Office, the proposed amendments to Chapter 23 of the Municipal Code would:

- Delete outdated references and obsolete provisions.
- Reorganize, renumber and consolidate existing provisions.
- Add provisions defining terms relevant to real estate transactions.
- Add provisions clarifying the requirements and procedures for sales and leases of City property.
- Increase the authority for the Director of Property to enter into leases, where the term does not exceed

31 days, without Board of Supervisors approval from $1,000 to $5,000 per month.

- Increase the competitive bidding threshold requirements for awarding leases from $1,500 per month in lease revenue to $2,500 per month.
- Increase the application fee for Lot Line Window Agreements from $500 to a minimum of $2,500 to cover RED administrative expenses.

Sections 23.26, 23.31, 23.33, and 23.48 specify new dollars amounts, each of which is analyzed below. Since all other sections codify existing practice, no other sections of the proposed ordinance have a fiscal impact or reduce the Board of Supervisors' approval power, according to Ms. Dietrich.

Comments:

Sections 23.26 and 23.31

1. Under Section 23.26 of the proposed ordinance, the Director of Property would have the authority, without the prior approval of the Board of Supervisors, to enter into leases where the term does not exceed 31 days (including month-to-month leases) on behalf of the City as tenant where the rent is $5,000 or less per month[1]. The current legislation places the threshold at $1,000 per month. Therefore, the proposed threshold increase of $4,000 per month represents a 400 percent increase. Similarly, under Section 23.31 of the proposed ordinance, the Director of Property would have the authority, without the prior approval of the Board of Supervisors, to enter leases where the term does not exceed 31 days (including month-to-month leases) on behalf of the City as landlord where the rent is $5,000 or less per month. Again, the current legislation places the threshold at $1,000 per month and, thus, the proposed threshold increase of $4,000 per month represents a 400 percent increase. Mr. Anthony DeLucchi, the Director of Property, states that the increase in these authorizations from the current $1,000 per month limit to $5,000 per month reflects changes in the Bay Area rental market. Mr. DeLucchi advises that Sections 23.26 and 23.31 of the

[1] According to Ms. Dietrich, a month-to-month lease is terminable at any time upon 30 days notice by either party and, therefore, does not have a fixed term.

proposed ordinance would cover approximately two to four leases a year in situations where there was an emergency requirement for a short term property lease either on the part of the City as tenant (Section 23.26), or a non-profit or community organization as a prospective tenant (Section 23.31). However, according to Mr. DeLucchi, the majority of leases entered into by the City as either lessee or lessor are multi-year leases and, therefore, would continue to require Board of Supervisors approval.

Section 23.33

2. Under Section 23.33 of the proposed ordinance, the threshold for the Board of Supervisors to recommend competitive bidding for City departments which could otherwise award leases without competitive bidding would increase from $1,500 per month in lease revenue to $2,500 per month, a $1,000 per month, or approximately 67 percent, increase. Again, according to Mr. DeLucchi, the intent of this amendment is to increase the City's ability to react swiftly to emergency accommodation situations, and the increase in the authorization threshold reflects changes in the Bay Area rental market. Irrespective of the proposed Section 23.33, Mr. DeLucchi states that it is the policy of RED to always seek the Board of Supervisors approval when RED proposes to rent City property at less than the market rental rate.

Section 23.48

3. An owner of property adjoining a City property may ask the City to permit him or her to construct window openings in his or her building walls which are closer to the property line shared by that property owner and the City than the distances prescribed in the San Francisco Building Code. Currently, the owner must file an application for a Lot Line Window Agreement with the Director of Property and pay an application fee set from time to time by the Director of Property, subject to Board of Supervisors approval. That fee is currently set at $500 (Resolution No. 145-86). Under the proposed Section 23.48, that application fee would be set at a minimum of $2,500, unless changed by the

Board of Supervisors. The proposed minimum fee level of $2,500 represents a $2,000 increase to reflect current costs, according to Mr. DeLucchi. Mr. DeLucchi states that the new fee level is based on RED's "standard nominal fee" which covers RED's administrative expenses. The application fee could be increased, subject to Board of Supervisors approval, when it proves inadequate to cover the cost of preparing and processing an individual Lot Line Window Agreement. According to Mr. DeLucchi, there are approximately two Lot Line Window Agreements per year.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 3 – File 00-2018

Department: Treasurer and Tax Collector's Office

Item: Ordinance amending Article 6 of Part III of the San Francisco Code (Business and Tax Regulations Code), by amending Section 6.6-1, to require each applicant of a Certificate of Authority to collect parking taxes, to post a bond with the Tax Collector as a precondition to the issuance of such a Certificate.

Description: Approval of the proposed ordinance would amend Section 6.6-1 of the City's Business and Tax Regulation Code by (1) requiring a Certificate of Authority to collect parking taxes for each parking lot location, and (2) adding Subsection (f), which would require each parking lot operator to post a bond with the Tax Collector for each new parking lot site in order to secure the collection of parking taxes for the City. Parking tax rates are currently 25 percent of the parking charge and are collected by the parking lot operators and remitted to the Tax Collector.

According to Tax Administrator George Putris, currently parking lot operators are required to register with the Tax Collector no more than 15 days after the commencement of operation and must indicate the location of the business, the business name and any additional information the Tax Collector may require to facilitate parking tax collection. Section 6.6-1 of the San Francisco Business and Tax Regulations Code states that the Tax Collector shall issue, without charge, a Certificate of Authority (see Comment 3) to each registrant to collect parking taxes from the customer on behalf of the City. The proposed ordinance would require that each parking lot operator obtain a Certificate of Authority in order to collect parking taxes for each parking lot location.

The proposed ordinance would also require each parking lot operator to secure a bond for each new

parking lot site as a guarantee that the parking taxes would be remitted to the Tax Collector before the Tax Collector issues a Certificate of Authority to collect such parking taxes to the parking lot operator. The bond amounts would be based on annual gross receipts for each parking lot site. Parking lot sites with annual gross receipts of less than $100,000 would be required to post a $5,000 bond and parking lot sites with annual gross receipts of more than $100,000 would be required to post a $25,000 bond (see Comment 5). The bonds must be purchased from a City-approved third-party bond sales agent, a list of which would be provided to the parking lot operators by the Tax Collector's Office. If the parking lot operator does not pay their parking taxes, the bond would be payable to the City in the amount of unpaid parking taxes as well as any accrued interest and penalties for nonpayment of parking taxes to the City. Ms. Florence Mar from the Bureau of Delinquent Revenue Collection (BDRC) in the Tax Collector's Office advises that the BDRC would collect the delinquent parking tax revenues from the bond sales agent only after the BRDC is able to provide the bond sales agent with proof, such as audit reports, affidavits from people who witnessed embezzlement of parking taxes or investigative reports, that attempts to collect from the parking lot operators have failed. Ms. Mar believes that the proposed bond requirement would deter new parking lot operators from not remitting their parking taxes to the Tax Collector because, once a bond is collected by the City it would negatively affect the operator's credit rating and therefore, their ability to meet bonding requirements in the future.

Comments:

1. According to Mr. Putris, parking tax revenues for FY 1999-2000 were approximately $47,700,000. Section 615 of Article 9 (Tax on Occupancy of Parking Space in Parking Stations) of Part III of the San Francisco Business and Tax Regulations Code states that the parking tax monies collected would

be used for the following purposes: (a) the administration of Article 9 not to exceed 4 percent of the total amount collected, (b) refunds of overpayments of the tax imposed, (c) 66 2/3 percent of the balance of the monies collected shall be deposited in the General Fund, and, (d) 33 1/3 percent of the balance of the monies collected shall be used exclusively for senior citizens' programs. Delinquent taxes are subject to a 20 percent penalty and an interest charge of one percent per month on the unpaid parking taxes.

2. According to Mr. Putris, the Certificate of Authority (COA) requirement has been in the City's Administrative Code since 1998 but it has yet to be implemented. Mr. Putris states that he assumed his current position approximately nine months ago and is unsure why his predecessor did not implement the COA requirement. Mr. Putris advises that as of January 1, 2001, all parking lot operators will be required to obtain and post a COA from the Tax Collector for each parking lot location. According to Mr. Putris, requiring a COA for each location should have a minimal fiscal impact on the Department's workload or printing costs. Ms. Mar advises that the Tax Collector's Office is working with the City Attorney's Office to set up procedures to close a parking lot business if a parking lot operator refuses to obtain their COA(s). Mr. Putris advises that if the proposed subject ordinance is approved, the bond requirement would take affect 30 days after the Mayor has signed the subject ordinance and would apply to all COA applications received thereafter, whether it is for a new or existing parking lot site or operator. Mr. Putris further advises that parking lot operators must renew their COA(s) each January. Therefore, any parking lot operators who obtain a COA prior to the enactment of the proposed bond requirement, would be required to post a bond when they renew their COA(s). Mr. Putris advises that parking lot operators who do post a bond with their original COA(s) application will not be required to post

another bond when they renew their COA(s), unless their gross receipts have changed enough at the time of renewal to fall above or below the $100,000 threshold, which determines the bond amount a parking lot operator must post.

3. According to Ms. Mar, based on an analysis of 175 registered parking lot operators in the City for the FY 1999-2000, which included approximately 385 parking lot sites, it revealed that approximately 50 of the 175 registered parking lot operators, or approximately 29%, did not remit a portion of their parking taxes due to the City, which represented a loss of parking tax revenues, penalties and interest charges totaling approximately $164,000 or approximately $3,280 for each of the 50 delinquent operators. Ms. Mar further states that the cumulative unpaid taxes, penalties and interest since 1991 equal approximately $3,000,000 or approximately $333,333 each year over the past nine years. Ms. Mar advises that this $3,000,000 amount represents the amount reported and identified by the Tax Collector's Office and that the actual amount of parking taxes not remitted to the City may be higher because parking lot operators may under-report their income or may not have registered, as required, with the Tax Collector.

Although the proposed ordinance is not retroactive and, therefore, would not directly help the BDRC collect on prior unpaid obligations, Ms. Mar believes that the proposed ordinance would make it easier for the BDRC to collect on unpaid taxes, penalties and interest charges in the future. Mr. Putris and Ms. Mar advise that it is possible that a bond may not be enough to cover unpaid parking taxes, penalties and interest charges, however, the bond monies could be used to cover at least part of the obligation. Ms. Mar does state that she cannot predict exactly what the delinquency rate would be but does believe, as noted above, that the proposed bond requirement would deter parking lot operators

from not remitting their parking taxes to the Tax Collector.

5. According to Ms. Mar, the bond rates were established by examining the parking taxes due, paid and still owed by businesses with gross receipts of less than $100,000 and gross receipts greater than $100,000 for FY 1999-2000. Ms. Mar found that the 77 registered businesses with gross receipts of less than $100,000 still owed between $4,000 and $5,000 in total or approximately $58 each in parking taxes, and 98 businesses with gross receipts of over $100,000 still owed approximately $160,000 in total or approximately $1,633 each in parking taxes. Ms. Mar states that the Tax Collector's Office did not want the bond yearly premium amounts to be prohibitively high for lot operators and determined that the premiums, at this time, should not exceed $300 a year. Ms. Mar then recommended a bond amount of $5,000, with a bond premium amount of approximately $120 a year, for parking lots with gross receipts of less than $100,000, and a bond amount of $25,000, with a bond premium amount of approximately $280 a year, for those parking lots with gross receipts over $100,000. Ms. Mar states that if the bond amounts are determined to be too high or too low after the first year of implementation of the proposed ordinance, then the Tax Collector's Office would assess reducing or increasing the bond amounts.

6. According to Mr. Putris, if a parking lot operator cannot obtain a bond from one of the City-approved bond sales agents, in order to receive a Certificate of Authority, the parking lot operator would be required to establish an escrow account and to deposit an amount equal to the required bond amount to that escrow account, with instructions to the escrow to pay over the amount to the City upon conditions identical to those applicable to the bond. Mr. Putris states that this would allow parking lot operators to set up some functionally

equivalent stop-loss mechanism, while securing the payment of the City's parking tax.

7. According to Ms. Mar, the Tax Collector's Office currently has parking tax remittance enforcement tools that they have either already implemented or hope to implement in 2000. These include: (1) creating a comprehensive parking lot grid, which will compare the number of parking lots located in the City with the number of parking lots registered with the Tax Collector (Ms. Mar states that this is currently an on-going effort); (2) a Legal Section and Clearance Unit, which has been working to settle and resolve outstanding parking tax cases; and, (3) intergovernmental relations to coordinate and consolidate parking tax enforcement activities, which includes having a Sheriff's keeper at parking lots to collect on a judgment against the debtor.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 4 – File 00-2019

Department: Treasurer and Tax Collector's Office

Item: Ordinance amending Article 6 of Part III of the San Francisco Code (Business and Tax Regulations Code), by amending Section 6.9-2, authorizing the Tax Collector to waive the requirement that every business file a tax return, where the taxpayer would owe less than a minimum filing amount, not to exceed $500, to be set annually by the Tax Collector.

Description: According to Tax Administrator George Putris, small businesses with a tax liability of $2,500 or less are exempt from the City's Gross Receipts and Payroll Tax if the businesses file their tax return by the end of each February. Section 6.9-2 of the Business and Tax Regulations Code currently states that each business taxpayer is required to file a tax return regardless of whether or not the business is exempt from owing any taxes. According to Mr. Putris, the current filing requirement under Section 6.9-2 enables the Tax Collector to monitor small businesses as they progress toward becoming non-exempt taxpayers. Mr. Putris further advises that such information, which is kept in a database, is particularly useful in maintaining a high level of taxpayer compliance with the law.

Mr. Putris states that the Tax Collector has found that the smallest of the exempt business taxpayers (e.g., those with a computed tax of less than $500 annually) grow very slowly, if at all. According to Mr. Putris, these businesses are typically several years away from exceeding the small business exemption threshold, and, therefore, maintaining current information concerning these businesses is not particularly useful. Furthermore, Mr. Putris states that the inclusion of these very small businesses in the database makes the entire database, as a whole, more difficult to maintain and

less useful as a tool for monitoring businesses on the point of transition to becoming non-exempt taxpayers.

According to Mr. Putris, the proposed ordinance would waive the mandatory filing requirement for those small businesses whose tax liability falls below a minimum threshold, to be established on an annual basis by the Tax Collector, beginning in tax year 2001. The proposed ordinance would not change the existing business tax exemption threshold amount of $2,500 for those businesses who file their returns by the end of February. Mr. Putris advises that the Tax Collector's Office has not yet determined how to set the annual filing threshold minimum. Notices regarding the filing exemption would be sent to the small businesses who fall below the established filing threshold in the City's annual Gross Receipts and Payroll Tax statements (see Comment 2). Mr. Putris states that the proposed ordinance would reduce the workload of the Tax Collector's Office so that they do not have to process and file returns on businesses who are not yet taxpayers.

Fiscal Impact: As shown in the Attachment provided by Ms. Aleda Gonzales from the Treasurer and Tax Collector's Office, the total estimated cost savings identified by the Tax Collector of the proposed ordinance is approximately $69,940 annually. This cost savings would result because the Tax Collector would no longer be required to process tax returns for the selected small business operators and would no longer be required to collect on delinquent accounts for those taxpayers who failed to file on time and thus lost their small business exemption (See Comment 3). However, Ms. Gonzales advises that the Tax Collector would still have to process the information for those exempt small businesses that would now be required from filing postcards, but that the processing time for the Tax Collector would be approximately half of the time it currently takes to process the returns.

As noted above, Ms. Gonzales advises that the Tax Collector would no longer send the delinquent accounts for businesses with a tax liability of $500 or less who do not file to the Bureau of Delinquent Revenue Collection (BDRC) for collection, which represents both a cost savings and revenue loss. In FY 1999-2000, the Tax Collector received approximately $210,000 of such delinquent revenue. Therefore, if the proposed ordinance is approved, the Tax Collector's Office would actually realize a net loss of revenue of approximately $140,060 annually ($210,000 annual revenue loss less $69,940 annual operating cost savings).

Comments:

1. Currently, there are a total of 74,000 businesses in the City which file annual tax returns with the Tax Collector's Office. Mr. Putris advises that if the proposed ordinance is approved and the filing threshold is $500 or less, approximately 39,700, or approximately 54 percent of businesses would currently be exempt from filing an annual tax return. According to Mr. Putris, the Tax Collector's Office determined the number of businesses who would be exempt from filing a tax return by analyzing the tax returns filed in the past two years. Mr. Putris further advises that the same method would be applied in the future to determine which businesses would be exempt from filing a tax return and that the fiscal impact of running the reports would be minimal. Mr. Putris states that if the proposed ordinance were approved, individual businesses would be responsible for determining whether or not they need to file a tax return.

2. According to Mr. Putris, for the tax year 2001, the Tax Collector's Office would send notices in the Gross Receipts and Payroll Tax statements to the appropriate small businesses to inform them of the minimum-filing amount. These small businesses will be instructed to do one of the following: (1) if a small business' computed tax exceeds the minimum filing amount set by the Tax Collector for a given tax year, the small business owner would be

required to file an annual tax return with the Tax Collector or (2) if a small business' computed tax is below a certain minimum filing amount set by the Tax Collector for a given tax year, the small business owner will merely "check a box" on a postcard included in the annual mailing and return it to the Tax Collector. Receipt of the card would enable the Tax Collector's staff to flag those accounts on the Business Tax System to ensure that they do not receive a Payroll Expense & Business Receipts Determination Notice for failing to file a tax return. Mr. Putris estimates that the fiscal impact of creating the filing minimum postcard would be minimal.

3. According to Mr. Putris, small business operators who fail to file their tax return on time lose their small business tax exemption status for the subject tax year and are assessed penalties and charged interest on the unpaid taxes. The Tax Collector's Office has the Bureau of Delinquent Revenue Collection (BDRC) collect the unpaid business taxes, penalties and interest. However, under the proposed ordinance, the BDRC would no longer collect on delinquent accounts that fall under the proposed $500 filing exemption threshold, which, as noted above, represents a loss of approximately $210,000 of annual revenue.

4. Under the proposed ordinance, small businesses that fall under the filing exemption threshold, which would be established yearly, would no longer have to file the Gross Receipts and Payroll Tax return but would instead be required to return a postcard to the Tax Collector's Office indicating that they are exempt from filing such a return. Furthermore, exempting a selected group of small businesses would no longer permit the Tax Collector's Office to predict when a small business has truly become a non-exempt taxpayer. Additionally, although the Tax Collector's Office advises that the proposed ordinance would result in a cost savings for the Tax Collector, the proposed

ordinance would actually result in an annual net revenue loss of approximately $140,060 for the City due to the lost taxes, penalty and interest payments.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 5 – File 00-2067

Department: Public Library

Item: Ordinance amending the San Francisco Administrative Code by adding Section 8.21-2 to authorize the Library Commission to charge certain fines and fees for the use of library materials and services and ratifying prior fines and fees.

Description: The proposed ordinance amends Chapter 8 of the San Francisco Administrative Code by adding Section 8.21-2, to:

- Add a fee schedule for overdue fines, library card replacement, processing fees, replacement of lost materials, lost/damaged fees, service fees, document delivery and special services.
- Ratify prior fees and fines.

Attachment I, provided by the Library, provides an overview of the Library's existing and proposed fines and fees, as contained in the proposed ordinance.

Attachment II, provided by the Library, identifies the amount of change for each fine and fee and provides an explanation of the differences between the Library's existing fines and fees and the proposed fines and fees. According to Mr. George Nichols of the Library, the greatest decrease in revenue would result from the elimination of both the $0.50 interlibrary loan fee and the $0.50 reserve fee, which are proposed to be deleted in order to enhance the public's use of the Library's collection. However, according to Mr. Nichols, the revenue lost from the elimination of the interlibrary loan fee and reserve fee would be offset by an increase in revenue generated by a new $10.00 fee which would be charged to Library users with delinquent accounts. The Library has recently contracted with a collection service to pursue delinquent accounts containing borrowed materials that are 90 days late with a total value of at least $50.00 per account. This new $10 fee to recover such delinquent accounts would more than cover the cost to the Library of using this service. Mr. Nichols reports that the Library would collect the $10

delinquent account fee from Library users when the Library users return overdue materials and pay all applicable fines and fees. At the end of each month, the Library will pay the collection service $8.95 per account settled. According to Mr. Nichols, the remaining $1.05 per account settled will cover the Library's costs for cataloging and processing the overdue materials. Mr. Nichols states that the Library expects this new delinquent account fee to result in an increase in the Library's collection of fines, causing an increase in revenue, because patrons would be more likely to pay fines and fees in order to avoid having their account sent to a collection service. Furthermore, Mr. Nichols states that costs would be avoided as returned materials would not have to be replaced. According to Mr. Nichols, this new fee to recover delinquent accounts would offset any decline in revenue resulting from the elimination of the interlibrary loan fee and reserve fee. Overall, Mr. Nichols reports that the changes to the Library's fines and fees as contained in the proposed ordinance are not anticipated to have a significant impact on the total amount of revenue collected by the Library from fines and fees.

Mr. Buck Delventhal of the City Attorney's Office states that the proposed fines and fees would become effective 30 days after the proposed ordinance is signed by the Mayor.

Comments:

1. As shown in Attachment III, provided by the Library, the estimated revenue to be generated during FY 2000-2001 from the collection of both new and existing Library fines and fees will total $453,405, based on an effective date of February 15, 2001. According to Mr. Nichols, in FY 1999-2000 the Library collected a total of $462,080 in fines and fees, approximately $8,675 or two percent more revenue than is projected for FY 2000-2001. As noted above, Mr. Nichols does not anticipate that there will be any significant changes to overall revenues as a result of the proposed changes to Library fines and fees.

Mr. Nichols states that the amount of fines and fees to be collected in FY 2000-2001, $453,403, is

approximately equal to the amount of funds that the Library will expend to replace lost, stolen, or damaged materials, abate the cost of sending out notices that remind people to return their materials, and cover the Library's processing fee for cataloging and processing materials. Mr. Nichols states that the Library expects to collect a similar amount of revenue from fines and fees in FY 2001-2002 as it will collect in FY 2000-2001, which is estimated at $453,405 as shown in Attachment III. Mr. Nichols reports that the Library expects future cost increases would be offset by fewer delinquent accounts due to the new delinquent account fee.

2. Attachment IV, provided by the Library, provides information on how the proposed fines and fees were determined. According to Mr. Nichols, the proposed fines and fees schedule was approved on September 5, 2000 by the Library Commission. Mr. Nichols reports that the proposed increases to the Library's fines and fees would be the first increase since 1994.

3. According to Mr. Delventhal, prior to the City's 1996 Charter, the Library Commission had the authority to set the Library's fines and fees. In accordance with the 1996 Charter Section 2.109, the Board of Supervisors must approve by ordinance any rate, fee, or similar charge to be imposed by any City department. Currently there is no section in the City's Administrative Code for Library fines and fees. Mr. Delventhal states that the proposed ordinance would set fines and fees as well as ratify existing and new fines and fees collected by the Library since the adoption of the City's 1996 Charter.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 6 – File 00-2147

Department: Public Library

Item: Resolution authorizing the San Francisco Public Library to accept and expend a gift in the amount of $158,947 from the estate of John Fortunio.

Source of Gift: Estate of John Fortunio

Gift Amount: $158,947

Description: The proposed resolution would authorize the acceptance of a gift in the amount of $158,947 from the estate of John Fortunio. According to Mr. George Nichols of the Library, the subject grant would be used to purchase books and related materials, make physical plant improvements to the Main Library, and purchase audio visual equipment.

Budget: Attachment I, provided by the Library, is the budget for the subject gift. Attachment II, provided by the Library, provides detailed information on the Library's use of the subject gift funds, including the purchase of audio visual equipment, video components, 4 laptop computers, books, and the remodeling of the Constellation sculpture in the Library's Main Atrium.

Comments: 1. The proposed resolution would authorize the Library to accept and expend a gift in the amount of $158,947 from the estate of the late John Fortunio. Mr. Fortunio directed in his Will that one third (1/3) of his estate be divided evenly between the City's Public Library and the University of San Francisco. This distribution in the amount of $158,947 represents the Public Library's portion of the estate.

2. According to Mr. Nichols, the subject gift would be used to purchase audio visual equipment for the Library's main auditorium and also for the Latino/Hispanic Room. Mr. Nichols reports that the only future maintenance costs associated with the proposed gift would be for the audio visual equipment. Mr. Nichols advises that such maintenance costs are estimated at $2,000 to $5,000 per year and would be

covered within the Library's existing annual Operating Budget.

Recommendation: Approve the proposed resolution.

Harvey M. Rose

cc: Supervisor Kaufman
Supervisor Newsom
Supervisor Katz
Clerk of the Board
Controller
Stephen Kawa

[All Committees]
Government Document Section
Main Library

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City and County of San Francisco
Meeting Minutes
Audit and Government Efficiency Committee

Members: Supervisors Barbara Kaufman, Gavin Newsom and Leslie Katz

Clerk: Gregoire Hobson

Tuesday, January 02, 2001 | **12:00 PM** | **City Hall, Legislative Chamber**

Rescheduled Meeting

Members Present: Barbara Kaufman, Gavin Newsom, Leslie Katz.

Meeting Convened

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The meeting convened at 12:03 p.m.

REGULAR AGENDA

002175 **[Department of Adult and Aging Services]**

Supervisor Kaufman

Hearing to receive a progress report on the new Department of Adult and Aging Services.

12/11/00, RECEIVED AND ASSIGNED to Public Health and Environment Committee. Sponsor requests this item be scheduled for consideration at the January 2, 2001 meeting.

12/20/00, TRANSFERRED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Sandra Nathan, Executive Director, Adult and Aging Services; Supervisor Kaufman; Ed Harrington, Controller.

FILED by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

001965 **[Administrative Code Revision, Chapter 23, Real Property]**

Supervisor Kaufman

Ordinance amending Articles I, II, III, IV, V, VI, and VII of Chapter 23 of the San Francisco Municipal Code by amending, repealing, and renumbering various sections regarding real property transactions.

11/6/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/6/2000.

Heard in Committee. Speakers: Supervisor Kaufman; Tony DeLucchi, Director of Property, Real Estate Department.

Amendment of the Whole.

To Board as Committee Report January 2, 2001.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Articles I, II, III, IV, V, VI, and VII of Chapter 23 of the San Francisco Administrative Code by amending, repealing, and renumbering various sections regarding real property transactions.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

002018 **[Part III, Requiring parking lot operators to post bond]**

Supervisor Kaufman

Ordinance amending Article 6 of Part III of the San Francisco Municipal Code (Business and Tax Regulations Code), by amending Section 6.6-1, to require each applicant for a certificate of authority to collect parking taxes to post a bond with the Tax Collector as a precondition to the issuance of such certificate.

11/13/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/13/2000.

Heard in Committee. Speakers: George Putris, Tax Administrator; Aisha Bentom, Treasure/Tax Collector; Supervisor Newsom; Ed Harrington.
To Board as Committee Report January 2, 2001.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

002019 **[Part III, Waive requirement that every business file a tax return]**

Supervisor Kaufman

Ordinance amending Article 6 of Part III of the San Francisco Municipal Code (Business and Tax Regulations Code), by amending Section 6.9-2, authorizing the Tax Collector to waive the requirement that every business file a tax return, where the taxpayer would owe less than a minimum filing amount, not to exceed $500, to be set annually by the Tax Collector.

11/13/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/13/2000.

Heard in Committee. Speaker: George Putris, Tax Administrator.
To Board as Committee Report January 2, 2001.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

002067 **[Library Fines and Fees]**

Supervisor Kaufman

Ordinance amending the San Francisco Administrative Code by adding Section 8.21-2 to authorize the Library Commission to charge certain fines and fees for the use of library materials and services and ratifying prior fines and fees.

11/20/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 12/20/2000.

Heard in Committee. Speakers: Susan Hildreth, City Librarian; Supervisor Katz; Peter Warfield.
To Board as Committee Report January 2, 2001.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

002147 **[Gift Acceptance, Public Library]**

Supervisor Newsom

Resolution authorizing the San Francisco Public Library to accept and expend a gift in the amount of $158,947 from the estate of John Fortunio. (Public Library)

12/6/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

Heard in Committee. Speakers: Supervisor Newsom; Susan Hildreth, City Librarian.
To Board as Committee Report January 2, 2001.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

LITIGATION

On advice of City Attorney, was not necessary for item to be considered in closed session.

002153 **[Settlement of Lawsuit]**

Ordinance authorizing settlement of litigation of Santa Clara County Transit District against the City and County of San Francisco, filed April 28, 1999 for $16,800. (City Attorney)

(Santa Clara Superior Court No. CV781561.)

12/7/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated December 7, 2000 is on file with the Clerk of the Board.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.
To Board as Committee Report January 2, 2001.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Kaufman, Newsom, Katz

ADJOURNMENT

The meeting adjourned at 1:04 p.m.